PRELIMINARY OFFICIAL STATEMENT DATED SEPTEMBER 10, 2026

NEW ISSUE – BOOK-ENTRY-ONLY

Rating†
MOODY'S: Baa3
(stable outlook)

In the opinion of Orrick, Herrington & Sutcliffe LLP, as Special Transaction Counsel to Optimum Energy Co, LLC ("Special Transaction Counsel"), based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Series 2026A Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"). In the further opinion of Special Transaction Counsel, interest on the Series 2026A Bonds is not a specific preference item for purposes of the federal individual alternative minimum tax. Special Transaction Counsel observes that interest on the Series 2026A Bonds included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. Special Transaction Counsel observes that interest on the Series 2026B Taxable Bonds is not excluded from gross income for federal income tax purposes pursuant to Section 103 of the Code. Special Transaction Counsel is also of the opinion that interest on the Series 2026 Bonds and any profit made on the sale thereof are exempt from taxation by the State of Rhode Island or any political subdivision or other instrumentality thereof. Special Transaction Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Series 2026 Bonds. See "TAX MATTERS" herein.

$74,100,000*
RHODE ISLAND HEALTH AND EDUCATIONAL BUILDING CORPORATION
Revenue Bonds
(Madrone – South County Hospital EaaS I)
consisting of:

$62,430,000* Series 2026A

and

$11,670,000* Taxable Series 2026B

Dated: Date of Delivery **Due: As shown on inside cover**

The Rhode Island Health and Educational Building Corporation Revenue Bonds (Madrone – South County Hospital EaaS I), Series 2026A and Taxable Series 2026B (the "Series 2026A Bonds" and "Series 2026B Taxable Bonds" and, collectively, the "Series 2026 Bonds") will be issued by the Rhode Island Health and Educational Building Corporation (the "Issuer"), pursuant to an Indenture of Trust, dated as of September 1, 2026 (the "Indenture"), between the Issuer and Argent Trust Company, as trustee (the "Trustee"). Madrone – South County Hospital EaaS I, LLC, a Rhode Island limited liability company (the "Borrower"), the sole member of which is Madrone Health Foundation ("MHF"), a California nonprofit public benefit corporation, has been established solely for the purpose of undertaking the Energy Projects (as defined herein and in APPENDIX A – "INFORMATION CONCERNING THE BORROWER, THE ENERGY PROJECTS AND THE MATERIAL CONTRACTS").

The Series 2026 Bonds will be secured by the Trust Estate pursuant to the Indenture, including the Collateral pursuant to the Collateral Security Agreement, as described herein. Interest on the Series 2026 Bonds from their date of delivery is payable semi-annually on each March 1 and September 1, commencing on March 1, 2027, until maturity. The Series 2026 Bonds will bear interest at the respective rates set forth on the inside cover page hereof. The Series 2026 Bonds are subject to optional redemption, extraordinary mandatory redemption, extraordinary optional redemption, and mandatory sinking fund redemption and purchase in lieu of redemption prior to maturity, as applicable, as described herein.

The Series 2026 Bonds are being issued as fully-registered bonds in denominations of $5,000 and any integral multiples thereof and, when issued, the Series 2026 Bonds will be registered in the name of Cede & Co., as nominee for The Depository Trust Company of New York ("DTC"). DTC will act as securities depository for the Series 2026 Bonds. Purchases of beneficial interests in the Series 2026 Bonds will be made in book-entry form only, and purchasers will not receive certificates representing their interests in the Series 2026 Bonds except as described herein.

The proceeds of the Series 2026 Bonds will be loaned by the Issuer to the Borrower to (i) pay or reimburse the costs of the acquisition, development, construction, improvement and equipping of certain energy related improvements, including but not limited to, upgrading and replacing central utility plant assets, replacing electrical distribution infrastructure, upgrading building automation systems, implementing energy savings measures, and making other infrastructure improvements at certain hospitals and related facilities owned and/or principally used by South County Hospital Healthcare System ("South County Health"), a Rhode Island nonprofit corporation, and/or certain affiliates of South County Health and located in the State of Rhode Island (the "Project"); (ii) refund the Existing South County Indebtedness (as defined herein) of South County Health, the proceeds of which were used to finance capital expenditures of South County Health and/or certain affiliates of South County Health; (iii) fund a portion of the interest to accrue on the Series 2026 Bonds; (iv) fund a deposit to the Suspense Account (as hereinafter defined), and (v) pay or reimburse certain costs incurred in connection with the issuance of the Series 2026 Bonds (collectively, the "Financing Purposes"). See "INTRODUCTION" herein.

Investing in the Series 2026 Bonds involves certain risks. See "RISK FACTORS" for additional information. Investors should read this Official Statement in its entirety (including all Appendices hereto) before making an investment decision. In making an investment decision, investors must rely on their own examination of the Borrower, South County Health, the Issuer, the Project, and the Energy Projects and the terms of the offering, including the merits and risks involved.

THE SERIES 2026 BONDS ARE LIMITED OBLIGATIONS OF THE ISSUER. THE SERIES 2026 BONDS ARE NOT DEBT OF THE STATE OF RHODE ISLAND OR THE POLITICAL SUBDIVISIONS OF SUCH STATE. NO BOND ISSUED UNDER THE ACT (AS DEFINED HEREIN) SHALL OBLIGATE THE STATE OF RHODE ISLAND, THE ISSUER OR ANY POLITICAL SUBDIVISION APPROVING A FINANCING UNDER THE ACT, TO LEVY ANY TAX OR MAKE ANY APPROPRIATION FOR PAYMENT THEREOF OR WITH RESPECT THERETO. THE SERIES 2026 BONDS ISSUED BY THE ISSUER UNDER THE ACT ARE PAYABLE SOLELY FROM THE TRUST ESTATE PROVIDED THEREFOR PURSUANT TO THE INDENTURE. THE ISSUER HAS NO TAXING POWER.

The Series 2026 Bonds are offered when, as and if issued and delivered and accepted by the Underwriter and subject to receipt of opinions on certain legal matters of Orrick, Herrington & Sutcliffe LLP, as Special Transaction Counsel to Optimum Energy Co, LLC, and to other conditions. Certain legal matters will be passed upon for the Issuer by its counsel, Savage Law Partners, LLP; for the Borrower and MHF by their counsel, Hawkins, Delafield & Wood, LLP and Adler Pollock & Sheehan P.C.; for Optimum Energy Co, LLC, by its counsel, Orrick, Herrington & Sutcliffe LLP; for South County Health by its counsel, Nixon Peabody LLP; for the Underwriter by its counsel, Jones Walker LLP; and for the Trustee and Collateral Agent by its counsel, Foley & Judell, L.L.P. It is expected that delivery of the Series 2026 Bonds will be made through the facilities of DTC on or about September __, 2026.

STIFEL

* Preliminary, subject to change.
† For Rating, see the caption "RATING" herein.

$62,430,000*
RHODE ISLAND HEALTH AND EDUCATIONAL BUILDING CORPORATION
Revenue Bonds
(Madrone – South County Hospital EaaS I)
Series 2026A

Maturity Schedule

$8,865,000* ___% Term Bond due September 1, 2041* Priced to Yield ____% CUSIP†:__________
$11,675,000* ___% Term Bond due September 1, 2046* Priced to Yield ____% CUSIP†:__________
$41,890,000* ___% Term Bond due September 1, 2057* Priced to Yield ____% CUSIP†:__________

$11,670,000*
RHODE ISLAND HEALTH AND EDUCATIONAL BUILDING CORPORATION
Revenue Bonds
(Madrone – South County Hospital EaaS I)
Taxable Series 2026B

Maturity Schedule

$11,670,000* ___% Term Bond due September 1, 2036* Priced to Yield ____% CUSIP†:__________

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* Preliminary, subject to change.
† CUSIP is a registered trademark of the ABA. CUSIP data is provided by CUSIP Global Services, which is managed on behalf of the ABA by FactSet Research Systems Inc. The CUSIP numbers listed above are being provided solely for the convenience of the holders of the Series 2026 Bonds only at the time of issuance of the Series 2026 Bonds, and none of the Borrower, South County Health or the Underwriter makes any representation with respect to such CUSIP numbers or undertake any responsibility for the accuracy now or at any time in the future.

This Official Statement does not constitute an offer to sell the Series 2026 Bonds or the solicitation of an offer to buy, nor shall there be any sale of the Series 2026 Bonds by any person in any state or other jurisdiction to any person to whom it is unlawful to make such offer, solicitation or sale in such state or jurisdiction. No dealer, broker, salesperson or any other person has been authorized to give any information or to make any representation other than those contained herein in connection with the offering of the Series 2026 Bonds, and, if given or made, such information or representation must not be relied upon.

The information relating to the Issuer set forth herein under the captions "THE ISSUER" and "LITIGATION—The Issuer" has been furnished by the Issuer. The Issuer does not warrant the accuracy of the statements contained herein relating to the Borrower, South County Health, or the Project, including the Energy Projects, nor do they directly or indirectly guarantee, endorse or warrant (1) the creditworthiness or credit standing of the Borrower or South County Health, (2) the sufficiency of the security for the Series 2026 Bonds or (3) the value or investment quality of the Series 2026 Bonds. The Issuer makes no representations or warranties whatsoever with respect to any information contained herein except for the information relating to it under the captions "THE ISSUER" and "LITIGATION—The Issuer." The information set forth in APPENDIX K has been furnished by DTC. All other information set forth herein has been obtained from the Borrower and South County Health and other sources (other than the Issuer) that are believed to be reliable. The adequacy, accuracy or completeness of such information is not guaranteed by, and is not to be construed as a representation of the Issuer or the Underwriter. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement, nor any sale made hereunder, shall under any circumstances create any implication that there has been no change in the affairs of the Issuer, the Borrower, South County Health or DTC since the date hereof.

References to web site addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement.

The Underwriter has provided the following sentence for inclusion in this Official Statement. The Underwriter has reviewed the information in this Official Statement in accordance with and as part of its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the Series 2026 Bonds, or determined that this Official Statement is accurate or complete. Any representation to the contrary is a criminal offense.

CAUTIONARY STATEMENTS REGARDING FORWARD-LOOKING STATEMENTS IN THIS OFFICIAL STATEMENT

Certain statements included or incorporated by reference in this Official Statement constitute projections or estimates of future events, generally known as "forward-looking statements." Such statements generally are identifiable by the terminology used such as "plan," "expect," "estimate," "budget," "may," "believe," "will," "project," "intend," "anticipate," "continue" or other similar words. Such forward-looking statements include, among others, certain statements in APPENDIX B – "INFORMATION CONCERNING SOUTH COUNTY HOSPITAL HEALTHCARE SYSTEM;" and APPENDIX A – "INFORMATION CONCERNING THE BORROWER, THE ENERGY PROJECTS AND THE MATERIAL CONTRACTS" to this Official Statement and certain statements under the captions "PLAN OF FINANCE" and "RISK FACTORS" in the forepart of this Official Statement. The achievement of certain results or other expectations contained in such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Neither the Borrower nor any other party plans to issue any updates or revisions to those forward-looking statements if or when their expectations, or events, conditions or circumstances upon which such statements are based occur.

THIS PRELIMINARY OFFICIAL STATEMENT HAS BEEN DEEMED FINAL BY THE BORROWER AS OF ITS DATE WITHIN THE MEANING OF RULE 15c2-12 UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED, EXCEPT FOR THE OMISSIONS OF THE OFFERING PRICE(S), INTEREST RATE(S), SELLING COMPENSATION, AGGREGATE PRINCIPAL AMOUNT, PRINCIPAL AMOUNT PER MATURITY, DELIVERY DATE(S), RATING(S) AND OTHER TERMS OF THE BONDS DEPENDING ON SUCH MATTERS, ALL OF WHICH ARE PERMITTED OMISSIONS UNDER RULE 15c2-12.

The Series 2026 Bonds have not been and will not be registered under the Securities Act of 1933, as amended (the "Securities Act"), and are being issued in reliance on exemptions under the Securities Act. The Series 2026 Bonds are not exempt in every jurisdiction in the United States; some jurisdictions' securities laws (the "blue sky laws") may require a filing and a fee to secure the Series 2026 Bonds' exemption from registration. The Indenture has not been qualified under the Trust Indenture Act of 1939, as amended (the "Trust Indenture Act"), in reliance upon an exemption contained in the Trust Indenture Act.

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OFFICIAL STATEMENT

$74,100,000*
RHODE ISLAND HEALTH AND EDUCATIONAL BUILDING CORPORATION
Revenue Bonds
(Madrone – South County Hospital EaaS I)
consisting of:
$62,430,000* Series 2026A

and

$11,670,000* Taxable Series 2026B

INTRODUCTION

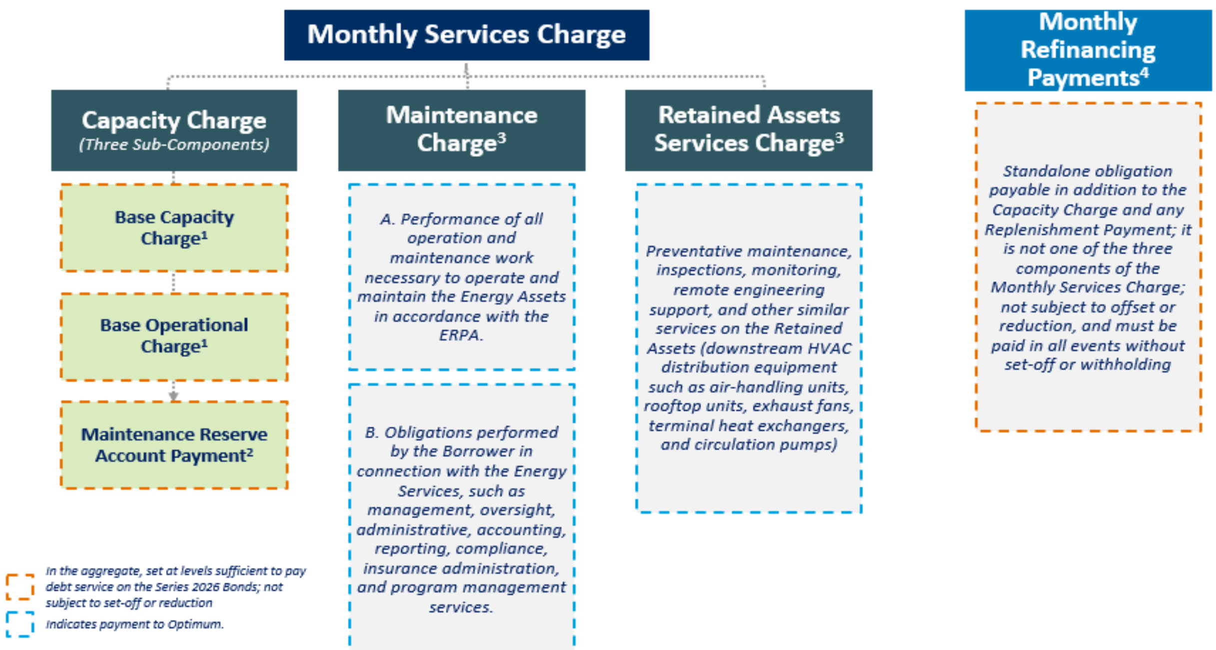
The purpose of this Official Statement, which includes the cover page, inside cover pages, body and Appendices, is to provide information in connection with the issuance, in the par amounts set forth above, of the Rhode Island Health and Educational Building Corporation Revenue Bonds (Madrone – South County Hospital EaaS I), Series 2026A and Taxable Series 2026B (the "Series 2026A Bonds" and "Series 2026B Taxable Bonds" and, collectively, the "Series 2026 Bonds") by the Rhode Island Health and Educational Building Corporation (the "Issuer"), pursuant to an Indenture of Trust, dated as of September 1, 2026 (the "Indenture"), between the Issuer and Argent Trust Company, as trustee (the "Trustee"). Capitalized terms used but not defined in the forepart of this Official Statement have the meanings set forth in APPENDIX C – "DEFINITIONS OF CERTAIN TERMS UNDER THE ENERGY RESILIENCE AND PERFORMANCE AGREEMENT" or in the respective form of documents attached hereto in APPENDICES E, F and G.

Madrone – South County Hospital EaaS I, LLC, a Rhode Island limited liability company (the "Borrower"), the sole member of which is Madrone Health Foundation, a California nonprofit public benefit corporation ("MHF"), has been established solely for the purpose of undertaking the hereinafter-defined Project. The Borrower is entering or has entered into certain Material Contracts (as defined herein) in connection with the Energy Projects. See "THE ENERGY PROJECTS AND THE MATERIAL CONTRACTS" herein and APPENDIX A – "INFORMATION CONCERNING THE BORROWER, THE ENERGY PROJECTS AND THE MATERIAL CONTRACTS" attached hereto for a description of the contracts to be entered into between the Borrower, South County Hospital Healthcare System ("South County Health"), a Rhode Island nonprofit corporation, and Optimum Energy Co, LLC, a Delaware limited liability company ("Optimum"), in connection with the Energy Projects. The Borrower has no revenues other than amounts it will generate pursuant to the Energy Resilience and Performance Agreement, dated September 9, 2026 (the "ERPA"), between South County Health and the Borrower, including the Monthly Services Charges (as defined herein), the Monthly Refinancing Payments (as defined herein), and the Replenishment Payments (as defined herein), if any, which Services Charges, Monthly Refinancing Payments, and Replenishment Payments South County Health is obligated to pay to the Borrower pursuant thereto. The Borrower is pledging its rights under the Material Contracts, including its rights to receive the Services Charges, Monthly Refinancing Payments, and Replenishment Payments, if any, to Argent Trust Company, as collateral agent (the "Collateral Agent") under a Collateral Security Agreement, dated as of September 1, 2026 (the "Collateral Security Agreement"), among the Borrower and Argent Trust Company, as Trustee, Collateral Agent, and securities intermediary (the "Securities Intermediary").

* Preliminary, subject to change.

In exchange for the various obligations undertaken by the Borrower under the ERPA, the ERPA requires South County Health to make certain monthly payments to the Borrower (the "Services Charge" or "Monthly Services Charge"). The Services Charge is comprised of: (i) monthly payments to the Borrower for making available thermal energy capacity and maintenance services pursuant to the terms of the ERPA (the "Capacity Charge" or "Monthly Capacity Charge"), (ii) monthly payments to the Borrower for the performance of all operation and maintenance work necessary to operate and maintain the Energy Assets (the "Maintenance Charge" or "Monthly Maintenance Charge"); and (iii) net charge payable by South County Health for the performance of all operations, maintenance, and related services on the Retained Assets as required by the ERPA (the "Retained Assets Services Charge"), as calculated and escalated pursuant to the terms of the ERPA.

In addition to the Monthly Services Charge, the ERPA requires South County Health to make a fixed monthly payment to the Borrower (the "Monthly Refinancing Payment") and to make certain payments (the "Replenishment Payments") when and if and to the extent required thereunder to restore the Current MRA Balance (as defined herein) to the Minimum Maintenance Reserve Account Funding Level as described more fully under "SECURITY AND SOURCES OF REPAYMENT OF THE SERIES 2026 BONDS – Collateral Security Agreement – Maintenance Reserve Account." Neither the Monthly Refinancing Payment nor the Replenishment Payments is a component of the Monthly Services Charge.



See: Appendix A: Information Concerning the Borrower, The Energy Projects and the Material Contracts

[1] Fixed for each Service Year; not subject to the CPI Escalator.

[2] Escalates annually on July 1 pursuant to the CPI Escalator under the ERPA.

[3] Subject to CPI escalation and can be offset / reduced solely for undisputed damages (e.g., Guaranteed Savings Shortfalls or compensable Service Lapses) or an agreed third-party-offtaker allocation formula, as determined via the Monthly Reconciliation against KPIs.

[4] ERPA requires South County Health to make monthly refinancing payments (the "Monthly Refinancing Payment") in the amounts identified in the ERPA.

Note: South County Health retains the operational and life-cycle replacement risk on the Retained Assets (unlike the Energy Assets, where that risk sits with the Borrower), and the Borrower is not obligated to perform major repairs or replacements beyond ordinary maintenance except as needed to maintain Guaranteed Savings under the ERPA.

Payments received by the Collateral Agent, including the Monthly Services Charge, the Monthly Refinancing Payment and any Replenishment Payments, will be deposited into the applicable Accounts established under the Collateral Security Agreement. Amounts in the Debt Service Account will be transferred to the Trustee for the payment of debt service on the Series 2026 Bonds in accordance with the Collateral Security Agreement. See "SECURITY AND SOURCES OF REPAYMENT OF THE SERIES 2026 BONDS—Collateral Security Agreement," herein for additional information on the flow of funds for the payment of debt service on the Series 2026 Bonds.

South County Health's obligation to make payments under the Material Contracts is an unsecured general obligation of South County Health, but the Monthly Capacity Charge and the Monthly Refinancing Payment are not subject to set-off or adjustment as set forth in the ERPA. The Maintenance Charge and Retained Assets Services Charge are the only charges subject to setoff or reduction for non-performance or liquidated damages caused by the Borrower as more fully described in APPENDIX A - "INFORMATION CONCERNING THE BORROWER, THE ENERGY PROJECTS AND THE MATERIAL CONTRACTS." **The Monthly Capacity Charge, a component of the Services Charge, and the Monthly Refinancing Payment are set at levels sufficient to pay debt service on the Series 2026 Bonds and are not subject to set-off or reduction.** See "SECURITY AND SOURCES OF REPAYMENT OF THE SERIES 2026 BONDS" and "RISK FACTORS – Risks Related to Payments under Certain Material Contracts" herein, and APPENDIX A – "INFORMATION CONCERNING THE BORROWER, THE ENERGY PROJECTS AND THE MATERIAL CONTRACTS."

The Series 2026 Bonds will be secured by the Trust Estate under the Indenture, including the Collateral (described herein) pursuant to the Collateral Security Agreement. See "SECURITY AND SOURCES OF REPAYMENT OF THE SERIES 2026 BONDS—Collateral Generally" and "—Collateral Security Agreement" herein.

Pursuant to a Loan Agreement, dated as of September 1, 2026 (the "Loan Agreement" and, together with the Indenture, the Collateral Security Agreement, and the hereinafter defined Direct Agreement, and as more fully defined in the Indenture, the "Financing Documents"), between the Issuer and the Borrower, the proceeds of the Series 2026 Bonds are being loaned to the Borrower to: (i) pay or reimburse the costs of the acquisition, development, construction, improvement and equipping of certain energy related improvements, including but not limited to, upgrading and replacing central utility plant assets, replacing electrical distribution infrastructure, upgrading building automation systems, implementing energy savings measures, and making other infrastructure improvements at certain hospital and related facilities owned and/or principally used by South County Health and certain of its affiliates and located in the State of Rhode Island (the "Project"); (ii) refund the Existing South County Indebtedness (as defined herein) of South County Health, the proceeds of which were used to finance capital expenditures of South County Health and/or certain affiliates of South County Health; (iii) fund a portion of the interest to accrue on the Series 2026 Bonds; (iv) fund a deposit to the Suspense Account (as hereinafter defined), and (v) pay or reimburse certain costs incurred in connection with the issuance of the Series 2026 Bonds (collectively, the "Financing Purposes").

"Existing South County Indebtedness" means (i) all of the outstanding Rhode Island Health and Educational Building Corporation Hospital Financing Revenue Refunding Bonds South County Hospital Healthcare System Issue, Series 2015, (ii) all of the outstanding Rhode Island Health and Educational Building Corporation Hospital Financing Revenue Bonds South County Hospital Healthcare System Issue – Series 2018, and (iii) all of the outstanding amounts under the Construction and Term Loan Agreement, dated as of June 3, 2021, between Ocean View Health Venture, LLC, a wholly owned affiliate of South County Health and Webster Bank, N.A. (collectively, the "*Existing South County Indebtedness*").

By entering into the transactions described in this Official Statement, South County Health is entitled to receive upgrades and modernization to its energy and electrical distribution infrastructure that are expected to result in savings to South County Health over the life of the transaction, which savings are guaranteed under the ERPA. In addition, South County Health will receive upfront concession fee payments that will allow them to (i) pre-pay or redeem the Existing South County Indebtedness, and (ii) invest in new information technology and software systems which are expected to enhance their administrative operations. See "THE ENERGY PROJECTS AND THE MATERIAL CONTRACTS," and "PLAN OF FINANCE," APPENDIX A – "INFORMATION

CONCERNING THE BORROWER, THE ENERGY PROJECTS AND THE MATERIAL CONTRACTS," and APPENDIX B "INFORMATION CONCERNING SOUTH COUNTY HOSPITAL HEALTHCARE SYSTEM – EPIC Acquisition and Installation" herein for additional descriptions of the energy and electrical distribution infrastructure upgrades and the use of upfront concession fee payments.

Investing in the Series 2026 Bonds involves certain risks. See "RISK FACTORS" herein and APPENDIX B - "INFORMATION CONCERNING SOUTH COUNTY HOSPITAL HEALTHCARE SYSTEM – Bondholders' Risks Related to South County Health," attached hereto for a detailed description of risk factors and investment considerations. Investors should read this Official Statement in its entirety before making an investment decision. In making an investment decision, investors must rely on their own examination of the Borrower, South County Health, the Issuer and the Project, including the Energy Projects, and the terms of the offering, including the merits and risks involved.

THE ISSUER

The Issuer is the Rhode Island Health and Educational Building Corporation created by and operating pursuant to Chapter 38.1 of Title 45 of the Rhode Island General Laws, as amended (the "Act"). The Issuer is a public body corporate and agency of the State of Rhode Island (the "State"), created and existing under the Act and authorized by the Constitution and laws of the State, including specifically the Act, to issue the Series 2026 Bonds in the manner contemplated by the Indenture. The Issuer has adopted resolutions authorizing the issuance of the Series 2026 Bonds.

THE SERIES 2026 BONDS ARE LIMITED OBLIGATIONS OF THE ISSUER. THE SERIES 2026 BONDS ARE NOT DEBT OF THE STATE OF RHODE ISLAND OR THE POLITICAL SUBDIVISIONS OF SUCH STATE. NO BOND ISSUED UNDER THE ACT SHALL OBLIGATE THE STATE, THE ISSUER, OR ANY POLITICAL SUBDIVISION APPROVING A FINANCING UNDER THE ACT, TO LEVY ANY TAX OR MAKE ANY APPROPRIATION FOR PAYMENT THEREOF OR WITH RESPECT THERETO. THE SERIES 2026 BONDS ISSUED BY THE ISSUER UNDER THE ACT ARE PAYABLE SOLELY FROM THE TRUST ESTATE PROVIDED THEREFOR PURSUANT TO THE INDENTURE. THE ISSUER HAS NO TAXING POWER.

The Issuer may sell and deliver obligations other than the Series 2026 Bonds. These obligations will be secured by instruments separate and apart from the Indenture and the Loan Agreement executed and delivered in connection with the Series 2026 Bonds, and the holders of such other obligations of the Issuer will have no claim on the security for the Series 2026 Bonds. Likewise, the holders of the Series 2026 Bonds will have no claim on the security for such other obligations that may be issued by the Issuer.

Neither the Issuer nor its independent contractors has furnished, reviewed, investigated, or verified the information contained in this Official Statement other than the information relating to it contained in this section and the section entitled "LITIGATION—The Issuer." The Issuer does not and will not in the future monitor the financial condition of the Borrower or South County Health or otherwise monitor payment of the Series 2026 Bonds or compliance with the documents relating thereto. Any commitment or obligation for continuing disclosure with respect to the Series 2026 Bonds or the Borrower or South County Health has been undertaken solely by such entities. See "CONTINUING DISCLOSURE OF INFORMATION" herein.

In connection with the issuance of the Series 2026 Bonds, some or all of the fees or other compensation payable to the Issuer, the Issuer's financial advisor, PFM Financial Advisors LLC, and certain other professionals involved with the offering of the Series 2026 Bonds is contingent upon the issuance and delivery of the Series 2026 Bonds.

THE BORROWER

The Borrower is a Rhode Island limited liability company that was formed on May 29, 2026 for the purpose of undertaking the Projects. The sole member of the Borrower is MHF, a California nonprofit public benefit corporation that is a tax-exempt organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"). The Borrower is disregarded as an entity separate from MHF for federal income tax purposes. The Borrower is organized and operated (i) exclusively for charitable purposes, (ii) not for pecuniary profit, and (iii) no part of the Borrower's net earnings inures to the benefit of any person, private stockholder or individual, all within the meaning of the Code.

The Borrower is not an affiliate of South County Health and has no material operations or assets, other than its rights under the Material Contracts, including the Borrower's rights to operate the Energy Assets (as defined in the ERPA), and to receive the payments from South County Health under the Material Contracts. For more information concerning the Borrower and the Material Contracts to be entered by the Borrower in connection with the Energy Projects, see "THE ENERGY PROJECTS AND THE MATERIAL CONTRACTS" herein and APPENDIX A – "INFORMATION CONCERNING THE BORROWER, THE ENERGY PROJECTS AND THE MATERIAL CONTRACTS."

Neither MHF nor any affiliate of MHF, other than the Borrower, will have any obligation with respect to the Series 2026 Bonds or under any of the bond documents.

No Recourse Against the Borrower's Member or Officers

No recourse under or upon any obligation, covenant, or agreement contained in the Loan Agreement, in any of the Financing Documents or Material Contracts, or in any other documents delivered in connection with the issuance of the Series 2026 Bonds or for any claim based thereon, or under any judgment obtained against the Borrower, or by the enforcement of any assessment or penalty or otherwise or by any legal or equitable proceeding by virtue of any constitution, rule of law or equity, or statute or otherwise or under any other circumstances, under or independent hereof, will be had against any incorporator, director, member (including MHF), or officer, as such, past, present, or future of the Borrower or MHF, or any incorporator, director, member, or officer of any successor entity, as such, either directly or through the Borrower or any successor entity, or otherwise, for the payment for or to the Borrower or any receiver thereof, of any sum that may be due and unpaid by the Borrower under the Loan Agreement, any of the Financing Documents or Material Contracts, or any other documents delivered in connection with the issuance of the Series 2026 Bonds.

SOUTH COUNTY HOSPITAL HEALTHCARE SYSTEM

South County Health is a Rhode Island nonprofit corporation that provides a broad range of both inpatient and outpatient services to the residents of, and visitors to, southern and central Rhode Island. South County Health operates South County Hospital, an acute care hospital located in Wakefield, Rhode Island ("South County Hospital") and other related facilities. South County Health is licensed by the Rhode Island Department of Health ("DOH") to operate 100 beds, currently consisting of 92 medical/surgical beds and eight intensive care beds. South County Hospital routinely staffs approximately 85 beds with the ability to flex higher with increased demand. South County Hospital Healthcare System Endowment ("South County Endowment"), a Rhode Island nonprofit corporation, is the sole member of South County Health and its principal purpose is to support South County Health and its affiliates. See APPENDIX B – "INFORMATION CONCERNING SOUTH COUNTY HOSPITAL HEALTHCARE SYSTEM," and APPENDIX L – "AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF SOUTH COUNTY HOSPITAL HEALTHCARE SYSTEM ENDOWMENT AND AFFILIATES FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2025 AND 2024."

Series 2026 Bonds are not Obligations of South County Health or its Affiliates

Neither South County Health nor any affiliate of South County Health is liable for the payment of the principal of, premium, if any, or interest on the Series 2026 Bonds. The Series 2026 Bonds and the obligations of the Borrower under the Loan Agreement are not secured by a lien on or security interest in any assets or revenues of South County Health or any affiliate of South County Health. However, payment of the principal of, premium, if any, or interest on the Series 2026 Bonds is expected to be made by the Borrower as the obligor under the Loan Agreement primarily from the Capacity Charge and the Monthly Refinancing Payment received from South County Health, in each case pursuant to the terms of the ERPA. See APPENDIX A – "INFORMATION CONCERNING THE BORROWER, THE ENERGY PROJECTS AND THE MATERIAL CONTRACTS" and APPENDIX D – "SUMMARY OF CERTAIN PROVISIONS OF THE ENERGY RESILIENCE AND PERFORMANCE AGREEMENT." South County Health's obligation to make any payments under the Material Contracts are unsecured contractual obligations of South County Health. See "RISK FACTORS – Risks Related to Payments under Certain Material Contracts" herein. The Series 2026 Bonds are secured only as described under the caption "SECURITY AND SOURCES OF REPAYMENT OF THE SERIES 2026 BONDS" in this Official Statement.

In connection with the exercise by South County Health of certain termination rights under the ERPA, South County Health has the right to assume the Borrower's obligations under the Loan Agreement and shall issue a master obligation under its Master Indenture (as defined herein) or other master trust indenture to evidence and secure its obligations under the Loan Agreement. See APPENDIX D – "SUMMARY OF CERTAIN PROVISIONS OF THE ENERGY RESILIENCE AND PERFORMANCE AGREEMENT," and APPENDIX E – "FORM OF INDENTURE." This is referred to as the "Debt Assumption Option" in the ERPA and the Indenture. "Debt Assumption" is defined in the Indenture to mean the substitution of South County Health (or any Permitted Health System Transferee designated by South County Health) for the Borrower by an assignment to and assumption by South County Health of the Loan Agreement pursuant to the exercise by South County Health of a termination right under the ERPA. If a Debt Assumption were to occur, then South County Health would be liable for the payment of the principal of, premium, if any, or interest on the Series 2026 Bonds.

THE ENERGY PROJECTS AND THE MATERIAL CONTRACTS

South County Health and the Borrower have entered into the ERPA, whereby the Borrower, through Optimum, will complete certain energy projects at South County Hospital and other related facilities located in Rhode Island. The Energy Assets and completed energy projects will be owned by South County Health and will be operated and maintained by the Borrower, and the Borrower will subcontract such operations and maintenance obligations to Optimum, to the extent provided in the ERPA. The Energy Projects include the acquisition, development, construction, improvement and equipping of certain energy related improvements at specific locations at South County Hospital (the "Project Sites"). The Energy Projects can be bifurcated into two categories: (a) those projects related to Energy Assets (as hereinafter defined); and (b) those projects related to Retained Assets (as hereinafter defined). The Energy Projects related to Energy Assets involve the improvement and optimization of the central plant, including the replacement and improvement of specific equipment such as chillers, boilers, cooling towers and other components related thereto. The Energy Projects related to the Retained Assets involve the replacement, repair, and optimization of specific equipment and other assets to be operated by South County Health, but maintained by Borrower, to reduce South County Health's energy consumption and improve its energy resiliency.

Pursuant to the ERPA, the Borrower will have the exclusive right to (a) operate the Energy Assets to provide Energy Services for South County Hospital and related facilities, and (b) to sell Excess Capacity Services to third-party offtakers following the Borrower's compliance with requirements set for the in the ERPA (collectively, the "Concession Rights"). The Borrower will provide South County Health with concession compensation, which includes the costs of the Energy Assets Improvements (as defined in the ERPA) and an upfront "Concession Fee" payment to South County Health. The Concession Fee will be used by South County Health to pay for the costs of the Retained Assets Improvements (as hereinafter defined) and to pay for the redemption of South County Health's Existing Indebtedness with South County Health retaining the remainder to pay for a new electronic medical records system. For additional information on the application of the Concession Fee by South County Health, see "PLAN OF FINANCE" hereinbelow. The following is a list and brief description of the material contracts (collectively, the "Material Contracts").

A. The ERPA, including all the exhibits attached thereto, between South County Health and the Borrower, pursuant to which South County Health will, among other things, grant the Borrower the right, for the term of the ERPA, to perform Energy Assets Improvements, to perform Retained Assets Improvements, and to utilize the Energy Assets to provide thermal energy to South County Health and to sell excess energy capacity to Third Party Offtakers. The ERPA also requires South County Health to pay Monthly Services Charges, Monthly Refinancing Payments, and certain Replenishment Payments.

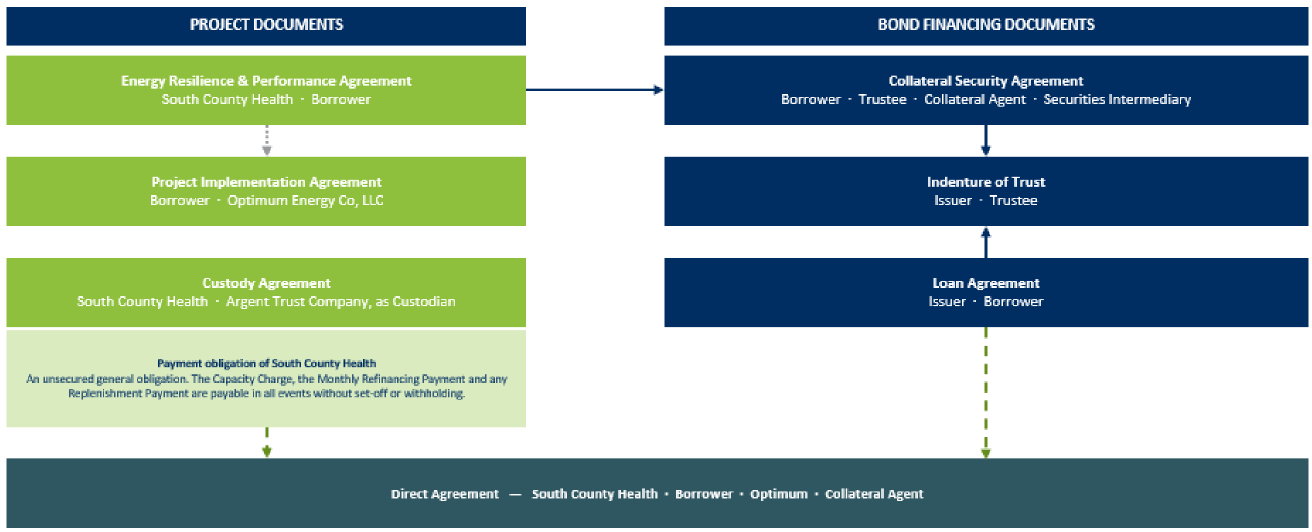
B. The Project Implementation Agreement, including all the exhibits attached thereto, between Optimum and the Borrower (the "Project Implementation Agreement"), pursuant to which Optimum agrees to be responsible for performing design, construction, Third-Party Offtaker coordination and installation, operations, maintenance and other services and responsibilities required to be performed by the Borrower under the ERPA.

C. The Direct Agreement, between South County Health, the Borrower, Optimum, and the Collateral Agent (the "Direct Agreement"), which governs the relationship among the parties relating to notices and cure periods and the rights of the Collateral Agent under the financing, loan, security, and collateral agreements entered into in connection with the Series 2026 Bonds.

D. The Collateral Security Agreement, see "SECURITY AND SOURCES OF REPAYMENT OF THE SERIES 2026 BONDS – Collateral Security Agreement" herein.

E. The Custody Agreement (the "Custody Agreement"), between South County Health and Argent Trust Company, as custodian; pursuant to which a portion of the proceeds of the Series 2026 Bonds will be deposited to a custody account to be used and disbursed by Custodian to pay the costs of the Project (as defined in the Indenture).

Transaction Document Map



For more information concerning the Energy Projects and Material Contracts, see APPENDIX A - "INFORMATION CONCERNING THE BORROWER, THE ENERGY PROJECTS AND THE MATERIAL CONTRACTS," the summaries of certain provisions of the ERPA included in APPENDIX D - SUMMARY OF CERTAIN PROVISIONS OF THE ENERGY RESILIENCE AND PERFORMANCE AGREEMENT," and the forms of the Collateral Security Agreement and Direct Agreement in APPENDICES G and H hereto.

As part of the Concession Rights, South County Health has granted to the Borrower the exclusive right to provide Excess Capacity Services to any person that does not compete with the South County Health's economic interests and is not a federally excluded, suspended or disbarred person, including any federally excluded, suspended or disbarred entities identified by the Office of Inspector General (the "OIG"), Joint Commission, Centers for Medicare and Medicaid Services and/or any entity included on the OIG's List of Excluded Individuals/Entities (any such person, a "Permitted Third-Party Offtaker") pursuant to the ERPA. Any agreement entered into between the Borrower and a Permitted Third-Party Offtaker will expressly state (i) that the provision of Energy Services to such Permitted Third-Party Offtaker ("Third-Party Offtaker Agreement") is at all times subordinate to Borrower's obligation to provide the full Energy Services to South County Health at the Project Sites; (ii) that Borrower will use commercially reasonable efforts to curtail or suspend the provision of Energy Services to any Permitted Third-Party Offtaker if and to the extent required to meet the Energy Requirements of South County Health; (iii) that such Third-Party Offtaker Agreement may be terminated by the Borrower upon termination of the ERPA and (iv) such Permitted Third-Party Offtaker shall release South County Health from any claims arising from its use of the Energy Assets. While amounts received by the Borrower from Permitted Third-Party Offtakers constitute Collateral under the Collateral Security Agreement, such amounts are not required to be deposited with the Collateral Agent and are not required or expected to be used for the payment of debt service on the Series 2026 Bonds.

South County Health secured certain Existing South County Indebtedness pursuant to a Master Trust Indenture dated as of December 1, 2003, as supplemented and amended through Supplemental Indenture No. 13 dated as of September 1, 2026 (the "Master Indenture"), between South County Health and U.S. Bank Trust Company, National Association, as master trustee. The proceeds of the Series 2026 Bonds will be used, in part, to redeem or prepay the Existing South County Indebtedness, and thereafter, South County Health will have no other debt or other obligations secured under its Master Indenture. Under the ERPA, South County Health has covenanted that, during the term of the ERPA, it will not, without prior written consent of the Collateral Agent, discharge, amend or fail to comply with its obligations set forth in Article 6 of the Master Indenture. Article 6 of the Master Indenture provides certain covenants of South County Health which restrict South County Health's ability to encumber its property, to incur additional debt, and to sell or dispose of its assets, among other covenants. For purposes of calculating the debt service coverage ratio for purposes of the additional indebtedness test, (i) maximum annual debt service shall be deemed to include, in addition to actual debt service on notes, an amount equal to the aggregate annual Base Capacity Charge and the Monthly Refinancing Payment payable by South County Health under the ERPA and (ii) net income available for debt service shall be deemed to exclude from expenses, an amount equal to the aggregate annual Base Capacity Charge and the Monthly Refinancing Payment payable by South County Health under the ERPA. A failure by South County Health to abide by the covenants set forth in Article 6 of the Master Indenture would result in a failure to abide by its covenant under ERPA and could cause a default under the ERPA.

The Series 2026 Bonds are not notes or other debt obligations issued under the Master Indenture and are not secured under the Master Indenture. The Series 2026 Bonds are secured only as described under the caption "SECURITY AND SOURCES OF REPAYMENT OF THE SERIES 2026 BONDS" in this Official Statement. For additional information on the substance of South County Health's obligations and covenants under Article 6 of the Master Indenture, see APPENDIX A – "INFORMATION CONCERNING THE BORROWER, THE ENERGY PROJECTS AND CERTAIN MATERIAL CONTRACTS – ENERGY RESILIENCE AND PERFORMANCE AGREEMENT – Covenants of South County Health."

PLAN OF FINANCE

A portion of the proceeds of the Series 2026 Bonds will finance the Concession Fee provided by the Borrower to South County Health. A portion of the proceeds of the Series 2026 Bonds will be deposited in the Series 2026A Funded Interest Subaccount and the Series 2026B Funded Interest Subaccount of the Series 2026 Funded Interest Account to fund interest on a portion of the Series 2026A Bonds and the Series 2026B Taxable Bonds, respectively. A portion of the proceeds of the Series 2026 Bonds shall be deposited in Costs of Issuance Fund under the Indenture to pay certain costs of issuance of the Series 2026 Bonds, and a portion of the proceeds of the Series 2026B Taxable Bonds shall be deposited in the Suspense Account established under the Indenture.

$11,553,536* of the proceeds of the Series 2026 Bonds shall be deposited into the Energy Assets Project Fund, and the relevant accounts therein, established under the Indenture for the purpose of making in-kind Energy Asset Improvements (as defined in the ERPA). The Concession Fee, combined with amounts deposited into the Energy Assets Project Fund shall constitute the "Concession Compensation." Amounts deposited within the Energy Assets Project Fund shall be withdrawn in accordance with the provisions of the Indenture. For additional information on the Energy Assets Project Fund, see "SECURITY AND SOURCES OF REPAYMENT OF THE SERIES 2026 BONDS – Indenture - *Series 2026A Rebate Fund; Costs of Issuance Fund; Energy Assets Project Fund*," herein and APPENDIX E – "FORM OF INDENTURE," attached hereto.

$12,561,759* of the Concession Fee will be deposited in the project account under the Custody Agreement (the "Project Account") and will be used to pay certain costs of the Project, including the costs of Retained Assets Improvements.

* Preliminary, subject to change.

$13,230,000* of the Concession Fee will be used by South County Health to pay for the cost of EPIC's Garden Plot system. Garden Plot is a software-as-a-service, subscription-based platform where EPIC manages the cloud hosting and infrastructure support as well as automatic rollout of software feature updates. For additional information on the acquisition of the EPIC Garden Plot System, see APPENDIX B – "INFORMATION RELATING TO SOUTH COUNTY HOSPITAL HEALTHCARE SYSTEM AND SOUTH COUNTY HOSPITAL HEALTHCARE SYSTEM ENDOWMENT - EPIC Acquisition and Installation."

$28,572,171* of the Concession Fee shall be disbursed to the current holders of the Existing South County Indebtedness and applied to the redemption or prepayment of such Existing South County Indebtedness.

The chart below provides a summary of the amounts and uses of the Concession Fee, as described hereinabove:

Concession Compensation Uses & Amounts

Use	Amount*
Energy Asset Improvements	$11,553,536
Retained Asset Improvements (and other Project Costs)	$12,561,759
EPIC Garden Plot System Acquisition	$13,230,000
Refinancing Existing South County Indebtedness	$28,572,171
Total	**$65,916,466**

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ESTIMATED SOURCES AND USES OF FUNDS

The proceeds to be received from the sale of the Series 2026 Bonds are estimated to be applied as set forth below (with all amounts rounded to the nearest whole dollar):

	Series 2026A Bonds	Series 2026B Taxable Bonds	Series 2026 Bonds Total
Sources of Funds			
Par Amount			
Original Issue Premium/Discount			
Total Sources:			
Uses of Funds			
Project Account of Custody Agreement			
Energy Assets Project Account			
Prepayment of Existing South County Indebtedness			
Funded Interest Account			
Suspense Account			
Costs of Issuance[1]			
Total Uses:			

[1] Includes legal fees, Underwriter's discount, printing costs, rating agency fees and other miscellaneous costs of issuance.

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ESTIMATED DEBT SERVICE SCHEDULE

The following table sets forth, for each year ending December 31, the amounts estimated to be made available for the payment of principal of and interest due on each series of the Series 2026 Bonds.

Year Ending	Series 2026A Bonds		Series 2026B Taxable Bonds		
(December 31)	Principal	Interest	Principal	Interest	Total Debt Service
2026					
2027					
2028					
2029					
2030					
2031					
2032					
2033					
2034					
2035					
2036					
2037					
2038					
2039					
2040					
2041					
2042					
2043					
2044					
2045					
2046					
2047					
2048					
2049					
2050					
2051					
2052					
2053					
2054					
2055					
2056					
Total					

Note: Numbers in certain rows and columns may not total due to rounding. Includes de minimis rounding adjustments.

PROJECTED DEBT SERVICE COVERAGE

The Borrower has provided certain projected Base Capacity Charges, Monthly Refinancing Payments and debt service coverage (the "Financial Projections"), with associated assumptions. The table was prepared by Optimum and reviewed by the Borrower.

The prospective Financial Projections included below reflect Optimum's judgement as of the date of this Official Statement of the conditions Optimum expects to exist and the course of actions it expects to take through calendar year 2056. There can be no assurances that Optimum's forecasted results will be achieved. The assumptions and estimates underlying the prospective financial information are unaudited and inherently uncertain and, although Optimum considers them reasonable as of the date of this Official Statement, they are subject to a wide variety of significant business, economic and competitive risks and uncertainties that could cause actual results to differ materially from forecasted results, including, but no limited to, the risks and uncertainties described in "RISK FACTORS" in the body of this Official Statement. Accordingly, there can be no assurances that the Financial Projections will be indicative of Optimum's future performance or that the actual results will not differ materially from those presented in the Financial Projections. Inclusion of the prospective financial information in this Official Statement should not be regarded as a representation by the Borrower, the Underwriter, South County Health, Optimum or any other person that the results contained in the Financial Projections will be achieved.

The prospective information and Financial Projections included in this Official Statement have been prepared by, and are the responsibility of, Optimum. No independent auditor has audited, reviewed, examined, compiled, or applied agreed-upon procedures with respect to the accompanying prospective financial information and, accordingly, the Financial Projections should be read in conjunction with the information provided in this Official Statement.

Below is a coverage table demonstrating the anticipated Base Capacity Charges, Monthly Refinancing Payments and the debt service on the Series 2026 Bonds resulting in coverage of at least 1.0x. The Base Capacity Charge and Monthly Refinancing Payments are structured to cover principal and interest on the Series 2026 Bonds and annual financing administrative costs. For any Service Year, the combined Base Capacity Charge and Monthly Refinancing Payment is anticipated to be at least 1.00x[*] debt service on the Series 2026 Bonds.

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[*] Preliminary, subject to change.

Service Year[1]	Base Capacity Charge + Refinancing Payment[1]	Debt Service[1]	Debt Service Coverage Ratio[1]
1	$2,553,819	$2,553,819	1.00x
2	5,537,616	5,537,616	1.00x
3	5,537,096	5,537,096	1.00x
4	5,535,836	5,535,836	1.00x
5	5,533,426	5,533,426	1.00x
6	5,534,456	5,534,456	1.00x
7	5,538,106	5,538,106	1.00x
8	5,533,556	5,533,556	1.00x
9	5,535,806	5,535,806	1.00x
10	5,533,626	5,533,626	1.00x
11	5,381,606	5,381,606	1.00x
12	5,379,156	5,379,156	1.00x
13	5,382,031	5,382,031	1.00x
14	5,379,681	5,379,681	1.00x
15	5,377,106	5,377,106	1.00x
16	5,379,031	5,379,031	1.00x
17	5,382,125	5,382,125	1.00x
18	5,377,875	5,377,875	1.00x
19	5,381,281	5,381,281	1.00x
20	5,381,463	5,381,463	1.00x
21	5,378,125	5,378,125	1.00x
22	5,380,625	5,380,625	1.00x
23	5,377,188	5,377,188	1.00x
24	5,377,500	5,377,500	1.00x
25	5,380,625	5,380,625	1.00x
26	5,380,625	5,380,625	1.00x
27	5,381,875	5,381,875	1.00x
28	5,378,438	5,378,438	1.00x
29	5,379,688	5,379,688	1.00x
30	5,379,375	5,379,375	1.00x
31	5,381,563	5,381,563	1.00x
Totals:	**$165,350,327**	**$165,350,327**	

(1) Preliminary, subject to change.

THE SERIES 2026 BONDS

General

The Series 2026 Bonds are being issued as fully-registered bonds in denominations of $5,000 and any integral multiples thereof. The Series 2026 Bonds will be issued in book-entry form pursuant to the book-entry-only system described herein. Beneficial Owners (as defined below) of the Series 2026 Bonds will not receive physical delivery of any Series 2026 Bond certificates.

The Series 2026 Bonds will be dated the date of issuance and will mature on the dates and be issued in the principal amounts as set forth on the inside cover pages of this Official Statement. The Series 2026 Bonds will bear interest at the interest rates set forth on the inside cover pages of this Official Statement. Interest on the Series 2026 Bonds is payable semi-annually on March 1 and September 1 of each year, commencing on March 1, 2027 until maturity. Interest on the Series 2026 Bonds will be calculated on the basis of a 360-day year consisting of twelve 30-day months.

Redemption of the Series 2026 Bonds Prior to Maturity*

The Series 2026 Bonds are subject to redemption prior to their stated maturity, in accordance with the terms and provisions of the Indenture, as follows:

Optional Redemption of Series 2026A Bonds. The Series 2026A Bonds maturing on and after September 1, 20__ are subject to redemption prior to maturity, at the option of the Borrower, in whole or in part, in such amounts and maturities as may be designated by the Borrower, on any date on or after ______, at a redemption price equal to the principal amount of the Series 2026A Bonds to be redeemed, plus interest accrued thereon, if any, to the date fixed for redemption, without premium.

Optional Redemption of Series 2026B Taxable Bonds. The Series 2026B Taxable Bonds are subject to redemption prior to maturity, at the option of the Borrower, in whole or in part, on any Business Day in such amounts and maturities as designated by the Borrower, at the Make-Whole Redemption Price applicable to the Series 2026B Taxable Bonds, together with accrued interest thereon to the date fixed for redemption.

As used herein, "Make-Whole Redemption Price" means the greater of (i) 100% of the principal amount of any Series 2026B Taxable Bonds of such maturity being redeemed, or (ii) the sum of the present values of the applicable remaining scheduled payments of principal and interest on any Series 2026B Taxable Bonds of such maturity being redeemed (exclusive of interest accrued to the date of redemption) discounted to the redemption date on a semiannual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate plus [__] basis points. For the purpose of this paragraph, the following definitions shall apply:

"Comparable Treasury Issue" means, with respect to the Series 2026B Taxable Bonds of a particular maturity, the United States Treasury security or securities selected by a Designated Investment Banker as having an actual or interpolated maturity comparable to the remaining term of the Series 2026B Taxable Bonds of such maturity to be redeemed that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of a comparable maturity to the remaining term of such maturity of the Series 2026B Taxable Bonds.

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* Preliminary, subject to change.

"Comparable Treasury Price" means, with respect to any redemption date, with respect to the Series 2026B Taxable Bonds of a particular maturity, the average of the Reference Treasury Dealer Quotations for such redemption date, or, if the Designated Investment Banker is only able to obtain one Reference Treasury Dealer Quotation, such Reference Treasury Dealer Quotation.

"Designated Investment Banker" means one of the Reference Treasury Dealers appointed by the Borrower.

"Reference Treasury Dealer" means one or more entities appointed by the Borrower, with the consent of South County Health, which in each case, is a primary United States government securities dealer.

"Reference Treasury Dealer Quotations" means, with respect to each Reference Treasury Dealer and any redemption date for the Series 2026B Taxable Bonds of a particular maturity, the average, as determined by the Designated Investment Banker, of the bid and asked prices for the applicable Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Designated Investment Banker and communicated to the Trustee by such Reference Treasury Dealer at 3:30 p.m., New York City time, on the third Business Day preceding such redemption date.

"Treasury Rate" means, with respect to any redemption date, the rate per annum equal to the semiannual equivalent yield to maturity or interpolated (on a day count basis) with respect to the Series 2026B Taxable Bonds of a particular maturity of the Comparable Treasury Issue with respect thereto, computed as of the second Business Day immediately preceding such redemption date, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such redemption date.

The Make-Whole Redemption Price shall be determined by an independent accounting firm or financial advisor retained by the Borrower and such accounting firm or financial advisor shall perform all actions and make all calculations required to determine the Make-Whole Redemption Price. Such accounting firm or advisor shall provide the Make-Whole Redemption Price to the Trustee at least two (2) Business Days prior to the redemption date. The Trustee and the Borrower may conclusively rely on such accounting firm's or financial advisor's calculations in connection with, and determination of, the Make-Whole Redemption Price, and shall bear no liability for such reliance.

Mandatory Sinking Fund Redemption. The Series 2026A Bonds maturing on September 1, 20__ are subject to mandatory redemption prior to maturity, in part, at a redemption price equal to the principal amount thereof, plus interest accrued thereon, if any, to the date fixed for redemption, without premium, on September 1 of the years and in the aggregate principal amounts set forth below:

Redemption Date (September 1)	**Principal Amount**
	$
†	

† Final Maturity.

The Series 2026A Bonds maturing on September 1, 20__ are subject to mandatory redemption prior to maturity, in part, at a redemption price equal to the principal amount thereof, plus interest accrued thereon, if any, to the date fixed for redemption, without premium, on September 1 of the years and in the aggregate principal amounts set forth below:

Redemption Date (September 1)	**Principal Amount**
	$
†	

† Final Maturity.

The Series 2026B Taxable Bonds maturing on September 1, 20__ are subject to mandatory redemption prior to maturity, in part, at a redemption price equal to the principal amount thereof, plus interest accrued thereon, if any, to the date fixed for redemption, without premium, on September 1 of the years and in the aggregate principal amounts set forth below:

Redemption Date (September 1)	**Principal Amount**
	$
†	

† Final Maturity.

Extraordinary Mandatory Redemption. Unless a Debt Assumption Option has been fully effectuated, the Series 2026 Bonds shall be subject to extraordinary mandatory redemption on the date of termination of the ERPA as it relates to clauses (i) and (ii), or the date of prepayment as it relates to clause (iii) as described below:

(i) Termination of ERPA by South County Health for Convenience. The Series 2026A Bonds shall be subject to extraordinary mandatory redemption, in whole but not in part, on any Business Day on or after the first day of the eleventh (11th) Service Year (as defined in the ERPA) at the Redemption Price equal to 100% of the principal amount of the Series 2026A Bonds to be redeemed plus accrued interest to but not including the date fixed for redemption, in each case from amounts received by the Trustee from the Collateral Agent from the Redemption Account in accordance with the Collateral Security Agreement in the event South County Health terminates the ERPA for convenience pursuant to the ERPA. The Series 2026B Taxable Bonds shall be subject to redemption, in whole but not in part, on or after the first date of the eleventh (11th) Service Year (as defined in the ERPA) at the Make-Whole Redemption Price applicable to the Series 2026B Taxable Bonds, together with accrued interest to the date fixed for redemption, from amounts received by the Trustee from the Collateral Agent from the Redemption Account in accordance with the Collateral Security Agreement in the event South County Health terminates the ERPA for convenience pursuant to the ERPA. See APPENDIX D – "SUMMARY OF

CERTAIN PROVISIONS OF THE ENERGY RESILIENCE AND PERFORMANCE AGREEMENT – TERMINATION."

(ii) Termination of ERPA (other than as provided by (i) above). The Series 2026A Bonds shall be subject to extraordinary mandatory redemption, in whole but not in part, on any Business Day, at the Redemption Price equal to 100% of the Amortized Redemption Price of the Series 2026A Bonds to be redeemed, plus accrued interest to, but not including, the date fixed for redemption, from amounts received by the Trustee from the Collateral Agent from the Redemption Account in accordance with Section 4.4(c) of the Collateral Security Agreement in the event the ERPA is terminated other than by South County Health for convenience pursuant to the provisions of the ERPA. The Series 2026B Taxable Bonds shall be subject to mandatory redemption, in whole but not in part, on any Business Day at the Make-Whole Redemption Price applicable to the Series 2026B Taxable Bonds, together with accrued interest to the date fixed for redemption, from amounts received by the Trustee from the Collateral Agent from the Redemption Account in accordance with the Collateral Security Agreement in the event the ERPA is terminated other than by South County Health for convenience pursuant to the ERPA. See APPENDIX D – "SUMMARY OF CERTAIN PROVISIONS OF THE ENERGY RESILIENCE AND PERFORMANCE AGREEMENT – TERMINATION."

(iii) Prepayment to Maintain Tax-Exempt Status of the Series 2026A Bonds. The Series 2026A Bonds shall be subject to extraordinary mandatory redemption, in whole or in part, on any Business Day, in such amounts as may be designated by the Borrower, at the Redemption Price equal to 100% of the Amortized Redemption Price of the Series 2026A Bonds to be redeemed, plus interest accrued thereon, if any, to, but not including, the date fixed for redemption, without premium, from any source of available funds (including from amounts received by the Trustee from the Collateral Agent from the Redemption Account in accordance with the Collateral Security Agreement pursuant to the ERPA) if required by law and federal tax regulations and upon delivery to the Issuer and the Trustee of a written opinion of Bond Counsel to the effect that, unless the Series 2026A Bonds or a specified part thereof are redeemed and retired either prior to or concurrently with (i) any sale or disposition of an asset, (ii) an event of taxability related to the Series 2026A Bonds or (iii) an event of taxability related to the status of South County Health as an organization described in Section 501(c)(3) of the Code or an event of taxability related to the status of the Borrower as a disregarded entity with its owner being an organization described in Section 501(c)(3) of the Code and, which does not result in termination of the ERPA, Bond Counsel is unable to render an unqualified opinion that such event will not, in and of itself, result in the inclusion of interest on the Series 2026A Bonds in gross income for federal income tax purposes. See APPENDIX D – "SUMMARY OF CERTAIN PROVISIONS OF THE ENERGY RESILIENCE AND PERFORMANCE AGREEMENT – ASSIGNMENT; CHANGE IN CONTROL".

For the purpose of this subsection "—Extraordinary Mandatory Redemption," the following definitions shall apply:

"Amortized Redemption Price" means the Amortized Value of the Series 2026A Bonds to be redeemed.

"Amortized Value" means the principal amount of the Series 2026A Bonds to be redeemed multiplied by the price of such Series 2026A Bonds expressed as a percentage, calculated based on the industry standard method of calculating bond prices, with a delivery date equal to the redemption date, the applicable maturity date of such Series 2026A Bonds (taking into account any optional call provision) and a yield equal to such Series 2026A Bond's original offering yield.

The Amortized Redemption Price shall be determined by an independent accounting firm or financial advisor retained by the Borrower and such accounting firm or financial advisor shall perform all actions and make all calculations required to determine the Amortized Redemption Price. Such accounting firm or advisor shall provide the Amortized Redemption Price to the Trustee at least two (2) Business Days prior to the redemption date. The Trustee and the Borrower may conclusively rely on such accounting firm's or financial advisor's calculations in connection with, and determination of, the Amortized Redemption Price, and shall bear no liability for such reliance.

Extraordinary Optional Redemption. If a Debt Assumption Option has been fully effectuated and South County Health as the substitute Borrower exercises its option to prepay its obligations under the Loan Agreement in full or in part as provided in the Loan Agreement upon the occurrence of certain events described in Section 13.20(b) of the Indenture, the Series 2026A Bonds shall be subject to extraordinary optional redemption, in whole or in part, on any Business Day, in such amounts as may be designated by the Borrower, at the Redemption Price equal to 100% of the principal amount of the Series 2026A Bonds to be redeemed, plus accrued interest to, but not including, the date fixed for redemption. See APPENDIX E – "FORM OF INDENTURE".

Selection of Series 2026A Bonds for Redemption. Except as provided below as it relates to the Series 2026B Taxable Bonds or in a Supplemental Indenture with respect to Additional Parity Bonds, whenever provision is made in the Indenture for the redemption of less than all of the Bonds of any series and maturity or any given portion thereof, the Trustee shall select the Bonds to be redeemed, from all Bonds of such series and maturity subject to redemption or such given portion thereof not previously called for redemption, as directed in writing by the Borrower or in the absence of direction by lot.

Selection of Series 2026B Taxable Bonds for Redemption. Whenever provision is made in the Indenture for the redemption of less than all of the Series 2026B Taxable Bonds of any maturity, the Trustee shall select the Series 2026B Taxable Bonds to be redeemed from all such Bonds of such maturity subject to redemption or such given portion thereof not previously called for redemption, on a pro rata pass-through distribution of principal basis. If the Series 2026B Taxable Bonds are registered in book-entry only form and so long as Cede & Co. or its registered assigns or a successor securities depository is the sole registered owner of such Bonds, if less than all of the Series 2026B Taxable Bonds of any maturity are called for prior redemption, the particular Bonds of such maturity or portions thereof to be redeemed shall be allocated on a pro rata pass-through distribution of principal basis in accordance with Cede & Co. or its registered assigns or a successor securities depository procedures, provided that, so long as the Series 2026B Taxable Bonds are held in book-entry form, the selection for redemption of such Bonds shall be made in accordance with the operational arrangements of Cede & Co. or its registered assigns or a successor securities depository then in effect, and, if Cede & Co. or its registered assigns or a successor securities depository's operational arrangements do not allow for redemption on a pro rata pass-through distribution of principal basis, the Series 2026B Taxable Bonds of such maturity will be selected for redemption, in accordance with Cede & Co. or its registered assigns or a successor securities depository procedures, by lot. The Borrower intends that redemption allocations made by Cede & Co. or its registered assigns or a successor securities depository be made on a pro rata pass-through distribution of principal basis as described above. However, the Borrower can provide no assurance that Cede & Co. or its registered assigns or a successor securities depository, Cede & Co. or its registered assigns or a successor securities depository's direct and indirect participants or any other intermediary will allocate the redemption of Series 2026B Taxable Bonds on such basis. In connection with any repayment of principal, including payments of scheduled mandatory sinking fund payments, the Trustee will direct Cede & Co. or its registered assigns or a successor securities depository to make a pass-through distribution of principal to the Owners of the Series 2026B Taxable Bonds. For purposes of calculation of the "pro rata pass-through distribution of principal," "pro rata" means, for any amount of principal to be paid, the application of a fraction to each denomination of the respective maturity of the Series 2026B Taxable Bonds where (a) the numerator of which is equal to the amount due to the respective Owners on a payment date, and (b) the denominator of which is equal to the total original par amount of the respective maturity of Series 2026B Taxable Bonds.

Notice of Redemption. Notice of any optional or mandatory redemption identifying the Series 2026 Bonds or portions thereof to be redeemed and specifying the terms of such redemption, shall be given by the Trustee by mailing a copy of the redemption notice by United States first-class mail (or, in the case of Series 2026 Bonds in book-entry form, sending such notice in accordance with the procedures of DTC), at least 20 days prior to the date fixed for redemption, to the Owner of each Series 2026 Bond to be redeemed at the address as it last appears on the registration records of the Trustee; *provided*, however, that failure to give any such notice, or any defect therein, shall not affect the validity of any proceedings of any Series 2026 Bonds as to which no such failure has occurred. The Trustee shall give notice in the name of the Issuer of redemption of the Series 2026 Bonds upon receipt by the Trustee at least 25 days (or such shorter period as may be agreed by the Trustee) prior to the redemption date of a written request of the Borrower. Such request shall specify the principal amount of the Series 2026 Bonds and their maturities to be called for redemption, the applicable redemption price or prices, or for 2026B Bonds only, the method of calculating the Make-Whole Redemption Price, the date fixed for redemption and the provision or provisions above referred to pursuant to which Series 2026 Bonds are to be called for redemption.

Any notice sent as provided herein shall be conclusively deemed to have been duly given, whether or not the Owner receives the notice. Notice of optional redemption may, at the Borrower's option and discretion, be subject to one or more conditions precedent and may be subject to rescission at the option of the Borrower. If any such redemption or notice is subject to satisfaction of one or more conditions precedent, such notice will state that, in the Borrower's discretion, the date fixed for redemption may be delayed until such time as any or all such conditions shall be satisfied, or such redemption may not occur and such notice may be rescinded in the event that any or all such conditions shall not have been satisfied by the date fixed for redemption, or by such date so delayed.

If at the time of sending of notice of any optional redemption or extraordinary redemption of Series 2026 Bonds there shall not have been deposited with the Trustee moneys sufficient to pay the Redemption Price of all the Series 2026 Bonds called for redemption, which moneys are or will be available for redemption of Series 2026 Bonds (the "Redemption Moneys"), such notice shall state that it is conditional upon the deposit of an amount equivalent to the full amount of the Redemption Moneys with the Trustee for such purpose not later than the opening of business on the redemption date specified in the relevant redemption notice, and such redemption notice shall be of no effect unless such Redemption Moneys are so deposited.

So long as DTC is effecting book-entry transfers of the Series 2026 Bonds, the Trustee, at the direction of the Issuer or the Borrower, shall provide the notices specified herein to DTC. It is expected that DTC shall, in turn, notify its direct participants and that the direct participants, in turn, will notify or cause to be notified the beneficial owners of the Series 2026 Bonds. Any failure on the part of DTC or a direct participant, or failure on the part of a nominee of a beneficial owner of a Series 2026 Bond (having been sent notice from the Trustee, DTC, a direct participant or otherwise) to notify the beneficial owner of the Series 2026 Bonds so affected, shall not affect the validity of the redemption of such Bond.

Open Market Purchases; Purchase in Lieu of Redemption

The Borrower may, to the extent permitted by applicable law, at any time and from time to time purchase Series 2026 Bonds in the open market, on an exchange or by tender or in a privately negotiated transaction at any price. Any Series 2026 Bonds so purchased may be held by or for the account of the Borrower, and the Borrower may surrender such Series 2026 Bonds to the Trustee for cancellation.

At any time prior to giving notice of redemption, the Trustee shall, upon direction of the Borrower, apply any amounts in the Redemption Account (excluding accrued interest, which is payable from the Interest Account) to the purchase of Series 2026 Bonds subject to optional redemption pursuant to the Indenture, at public or private sale, as and when and at such prices (including brokerage and other charges) as the Borrower may direct, except that the purchase price may not exceed the Redemption Price then applicable to such Series 2026 Bonds.

Whenever Series 2026 Bonds are called for redemption pursuant to the Indenture, the Trustee may, upon written direction of the Borrower, apply amounts in the Redemption Account (excluding accrued interest, which is payable from the Interest Account) or such other funds as may be provided by the Borrower thereof to purchase some or all of the Series 2026 Bonds subject to optional redemption on the applicable redemption date, at the Redemption Price then applicable to such Series 2026 Bonds.

Effect of Redemption

Notice of redemption having been duly given as aforesaid, and sufficient funds for payment of the Redemption Price of, together with interest accrued to the redemption date on, the Series 2026 Bonds (or portions thereof) so called for redemption being held by the Trustee, on the redemption date designated in such notice, the Series 2026 Bonds (or portions thereof) so called for redemption shall become due and payable at the Redemption Price specified in such notice together with interest accrued thereon to the redemption date, and, interest on the Series 2026 Bonds so called for redemption shall cease to accrue from and after the redemption date, said Series 2026 Bonds (or portions thereof) shall cease to be entitled to any benefit or security under this Indenture and the Owners of said Series 2026 Bonds shall have no rights in respect thereof except to receive payment of said Redemption Price and accrued interest to the date fixed for redemption from funds held by the Trustee for such payment.

Payment of the Series 2026 Bonds

Pursuant to the Indenture, the principal of, Redemption Price, and interest on the Series 2026 Bonds shall be payable in any coin or currency of the United States of America which on the respective dates of payment thereof is legal tender for the payment of public and private debts.

The principal of and the Redemption Price, on all Series 2026 Bonds shall be payable (i) by check, (ii) if the aggregate principal amount of the Series 2026 Bonds held by any Owner exceeds $1,000,000, by wire transfer to an account designated by such Owner, (iii) in the case of Series 2026 Bonds in book-entry form, to DTC in immediately available funds and disbursement of such funds to owners of beneficial interests in Series 2026 Bonds in book-entry form will be made in accordance with the procedures of DTC or (iv) by such other method as mutually agreed in writing between the Owner of a Series 2026 Bond and the Trustee at maturity or upon earlier redemption to the Owners in whose names such Series 2026 Bonds are registered on the bond register maintained by the Trustee at the maturity date or redemption date thereof, upon the presentation and surrender of such Series 2026 Bonds at the Designated Payment Office of the Trustee.

The interest payable on each Series 2026 Bond on any Interest Payment Date shall be paid (i) by check sent on or prior to the appropriate date of payment, by the Trustee to the address of the Owner appearing in the registration books on the Record Date, (ii) in the case of Series 2026 Bonds in book-entry form, to DTC in immediately available funds and disbursement of such funds to owners of beneficial interests in Series 2026 Bonds in book-entry form will be made in accordance with the procedures of DTC or (iii) by such other method as mutually agreed in writing between the Owner of the Series 2026 Bond and the Trustee. Any such interest not so timely paid shall cease to be payable to the person who is the Owner thereof at the close of business on the Record Date and shall be payable to the person who is the Owner thereof at the close of business on a Special Record Date for the payment of such defaulted interest. Such Special Record Date shall be fixed by the Trustee whenever moneys become available for payment of the defaulted interest, and notice of the Special Record Date shall be given by the Trustee to the Owners of the Series 2026 Bonds, not less than 10 days prior to the Special Record Date, by certified or first-class mail to each such Owner as shown on the Trustee's registration records (or in accordance with the procedures of DTC) on a date selected by the Trustee, stating the date of the Special Record Date and the date fixed for the payment of such defaulted interest. Alternative means of payment of interest may be used if mutually agreed to in writing between the Owner of any Series 2026 Bond and the Trustee, provided that the Trustee shall provide the Issuer and the Borrower with a copy of any such agreement.

Book-Entry-Only System

The Series 2026 Bonds will be registered in the name of Cede & Co., as nominee for DTC. Purchases of beneficial interests in the Series 2026 Bonds will be made only in book-entry form. Purchasers of beneficial interests in the Series 2026 Bonds (the "Beneficial Owners") will not receive physical delivery of certificates representing their interest in the Series 2026 Bonds. Interest on the Series 2026 Bonds, together with principal of the Series 2026 Bonds, will be paid by the Trustee directly to DTC, so long as DTC or its nominee is the registered owner of the Series 2026 Bonds. The final disbursement of such payments to Beneficial Owners of the Series 2026 Bonds will be the responsibility of DTC's Direct Participants and Indirect Participants, all as defined and more fully described herein. See APPENDIX K – "BOOK-ENTRY-ONLY SYSTEM."

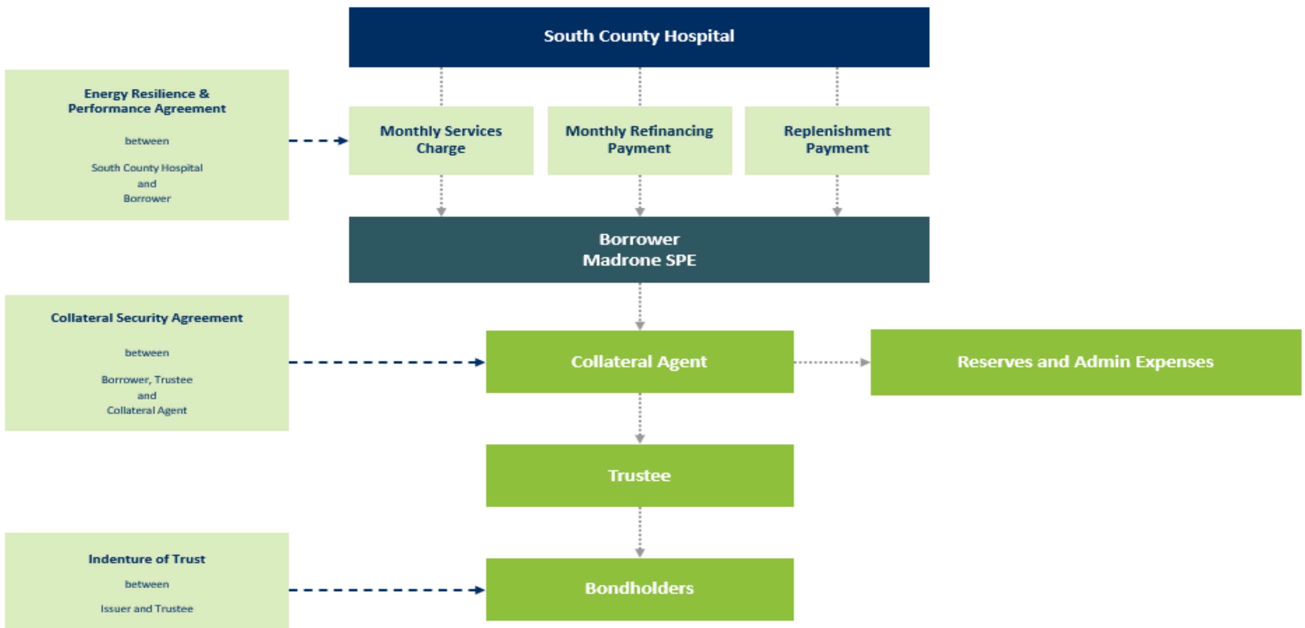
SECURITY AND SOURCES OF REPAYMENT OF THE SERIES 2026 BONDS

Series 2026 Bonds are Limited Obligations of the Issuer

THE SERIES 2026 BONDS ARE LIMITED OBLIGATIONS OF THE ISSUER. THE SERIES 2026 BONDS ARE NOT DEBT OF THE STATE OF RHODE ISLAND OR THE POLITICAL SUBDIVISIONS OF SUCH STATE. NO BOND ISSUED UNDER THE ACT SHALL OBLIGATE THE STATE OF RHODE ISLAND, THE ISSUER, OR ANY POLITICAL SUBDIVISION APPROVING A FINANCING UNDER THE ACT, TO LEVY ANY TAX OR MAKE ANY APPROPRIATION FOR PAYMENT THEREOF OR WITH RESPECT THERETO. THE SERIES 2026 BONDS ISSUED BY THE ISSUER UNDER THE ACT ARE PAYABLE SOLELY FROM THE TRUST ESTATE PROVIDED THEREFOR PURSUANT TO THE INDENTURE. THE ISSUER HAS NO TAXING POWER.

Sources of Payment Generally

Payments due on the Series 2026 Bonds are expected to be made from (i) the Monthly Capacity Charge (other than the Maintenance Reserve Account Payments) and (ii) the Monthly Refinancing Payment. The Monthly Services Charge is comprised of (i) the Monthly Capacity Charge; (ii) the Monthly Maintenance Charge; and (iii) the Retained Assets Services Charge. As described under the subcaption "No Reserve Fund" below and "SECURITY AND SOURCES OF REPAYMENT OF THE SERIES 2026 BONDS – Collateral Security Agreement – Maintenance Reserve Account" and "– Suspense Account," the balance of the Suspense Account and Maintenance Reserve Account (funded by Maintenance Reserve Account Payments and Replenishment Payments, if any), in that order, are also available to pay debt service on the Series 2026 Bonds in the event of the insufficiency of other available funds. **The Monthly Capacity Charge and the Monthly Refinancing Payment are set at levels sufficient to pay debt service on the Series 2026 Bonds and are not subject to set-off or reduction.** See APPENDIX A — "INFORMATION CONCERNING THE BORROWER, THE ENERGY PROJECTS AND THE MATERIAL CONTRACTS — THE FACILITIES — Energy Resilience and Performance Agreement — Services Charges." Pursuant to the Loan Agreement, the Borrower will make loan repayments in the amounts and on the dates required to pay the principal, or Redemption Price of, and interest on the Series 2026 Bonds. For additional information on the payments to be made by South County Health to the Borrower, see APPENDIX D — "SUMMARY OF CERTAIN PROVISIONS OF THE ENERGY RESILIENCE AND PERFORMANCE AGREEMENT," and APPENDIX G – "FORM OF COLLATERAL SECURITY AGREEMENT."



The Monthly Services Charge, the Monthly Refinancing Payments, and the Replenishment Payments, if any, constitute part of the Collateral (as defined herein), which, pursuant to the Collateral Security Agreement, will secure the payment obligations of the Borrower under the Loan Agreement. See "- Collateral Generally" and "- Collateral Security Agreement" hereinbelow.

No Reserve Fund

No reserve fund will be established in connection with the issuance of the Series 2026 Bonds; however, amounts in the Maintenance Reserve Account may be used under certain circumstances to pay debt service on the Series 2026 Bonds. The Maintenance Reserve Account will not be funded with proceeds of the Series 2026 Bonds and will be funded with Maintenance Reserve Account Payments, which is a component of the Capacity Charge and which funding begins nineteen (19) months following the issuance of the Series 2026 Bonds. The Maintenance Reserve Account is not subject to being drawn upon until fully funded to its Minimum Maintenance Reserve Account Funding Level (as defined herein). If the Borrower notifies South County Health that the Maintenance Reserve Account is less than the Minimum Maintenance Reserve Account Funding Level (as defined herein) under the Collateral Security Agreement, the ERPA obligates South County Health to make payments to replenish such account to such minimum funding level no later than as required under the Collateral Security Agreement (the "Replenishment Payments"). See "- Collateral Security Agreement – *Maintenance Reserve Account*" hereinbelow for additional information concerning the Maintenance Reserve Account.

Collateral Generally

The payment obligations of the Borrower under the Loan Agreement and the other Financing Documents to which it is a party relating to the Series 2026 Bonds and any obligations of the Borrower comprising Additional Senior Secured Indebtedness constitute "Secured Obligations" under the Collateral Security Agreement, as further described hereinbelow. The Secured Obligations will constitute direct and unconditional obligations of the Borrower. The Secured Obligations will be secured primarily by all accounts, chattel paper, commercial tort claims, deposit accounts, documents, general intangibles, goods, instruments, investment property, letter-of-credit rights, letters of credit, money, and oil, gas, and other minerals, and all proceeds of the foregoing in which the Borrower has rights or the power to transfer rights, whether the Borrower now has such rights or such power or obtains such rights or such power in the future (the "Collateral").

Collateral Security Agreement

The Borrower, the Trustee, the Collateral Agent and the Securities Intermediary will enter into the Collateral Security Agreement in connection with the issuance of the Series 2026 Bonds. Argent Trust Company will be appointed as Collateral Agent under the Collateral Security Agreement.

To secure the full and punctual payment and performance when due, whether at stated maturity, by acceleration or otherwise, of (i) any and all principal, interest (including any default interest and whether arising before or after the filing of a petition in bankruptcy and whether or not allowed), Make-Whole Amount, indemnity obligations, fees and other indebtedness, obligations and liabilities of the Borrower to the Secured Parties (defined to mean the Issuer, the Collateral Agent and the Secured Creditors) due and owing with respect to the Bonds issued from time to time under the Loan Agreement and the other Financing Documents, in each case whether now existing or hereafter arising (and whether arising before or after the filing of a petition in bankruptcy and whether or not allowed), due or to become due, direct or indirect, absolute or contingent, and howsoever evidenced, held or acquired, (ii) payment and performance of all obligations of the Borrower under the Financing Documents to which it is a party (including all obligations relating to Additional Senior Secured Indebtedness), together with all advances, payments or other expenditures made by any Secured Party or for the payment or performance of any such obligations of the Borrower under and pursuant to the Financing Documents (including all obligations relating to Additional Senior Secured Indebtedness), and (iii) any and all expenses and charges, legal or otherwise, suffered or incurred by any Secured Party as provided herein in collecting or enforcing any of such indebtedness, obligations and liabilities or in realizing on or protecting or preserving the Collateral (all such principal, interest (including default interest), indebtedness, obligations, liabilities, expenses and charges described in clauses (i) through (iii), inclusive, but without duplication, together with any modifications, extensions or renewals thereof is being referred to herein as the "Secured Obligations"), the Borrower under the Collateral Security Agreement will grant to the Collateral Agent, on behalf of the Secured Parties, a security interest in the Collateral.

For the avoidance of doubt and notwithstanding any other provision of the Collateral Security Agreement, the Concession Fee paid to and received by South County Health pursuant to the ERPA and any other amounts paid to and received by South County Health in accordance with the terms of the ERPA shall not be Collateral and shall be free and clear from any Lien granted to the Collateral Agent or any of the other Secured Parties pursuant to the Collateral Security Agreement, and thereafter, such Concession Fee and such other amounts and any proceeds thereof may not be recalled by the Borrower, the Collateral Agent or any other Secured Party.

Additionally, pursuant to the Collateral Security Agreement, Argent Trust Company has been appointed as Securities Intermediary thereunder and to accept and promptly credit all cash, payments and other amounts and Permitted Investments to be delivered to or held by the Collateral Agent in respect of the hereinafter-described Accounts established under the Collateral Security Agreement. The Accounts to be established with the Collateral Agent under the Collateral Security Agreement include the Revenue Account, the Debt Service Account (including each Interest Account, Principal Account and Redemption Account established therein), the Operating Account, the Maintenance Reserve Account, the Suspense Account, the Distribution Account, the Termination Fee Account and the Collateral Proceeds Account. Each of the Accounts established under the Collateral Security Agreement will constitute a "securities account" as defined in the UCC. To the extent that any Account held under the Collateral Security Agreement is not considered a "securities account" (within the meaning of the UCC), such Account will be deemed to be a "deposit account" (as defined in the UCC).

Revenue Account. Subject to certain provisions of the Collateral Security Agreement related to an Event of Default, the Borrower shall (i) instruct each of its counterparties to, commencing on the Effective Date, make any and all payments in respect of the Material Contracts (as defined in the Collateral Security Agreement) to which the Borrower is a party relating to Project Revenues (other than the Maintenance Reserve Account Payments and the Replenishment Payments) and the Monthly Refinancing Payments directly to the Collateral Agent for deposit into the Revenue Account, (ii) instruct South County Health, to, commencing on the Effective Date, transfer any Termination Fee (together with a calculation of the Termination Fee by South County Health, confirmed in writing by the Borrower) directly to the Collateral Agent for deposit into the Termination Fee Account pursuant to the Collateral Security Agreement, (iii) transfer or deposit (or cause to be transferred or deposited) all Project Revenues (other than the Maintenance Reserve Account Payments and the Replenishment Payments) and the Monthly Refinancing Payments (to the extent not already included in (i) above) received or to be received directly by the Borrower to the Collateral Agent for deposit into the Revenue Account, (iv) transfer or deposit (or cause to be transferred or deposited) all Termination Fees (to the extent not already included in (ii) above) received or to be received directly by the Borrower to the Collateral Agent for deposit into the Termination Fee Account pursuant to the Collateral Security Agreement, and (v) transfer or deposit (or cause to be transferred or deposited) all Maintenance Reserve Account Payments or Replenishment Payments received or to be received directly by the Borrower to the Collateral Agent for deposit into the Maintenance Reserve Account pursuant to the Collateral Security Agreement.

The Collateral Security Agreement defines "Project Revenues" to mean "all proceeds received by the Borrower from South County Health as payment for the Energy Services pursuant to the terms of the Energy Resilience & Performance Agreement (including the Monthly Services Charge and the Replenishment Payments). For the avoidance of doubt, "Project Revenues" shall not include any proceeds received as a result of any Termination Fee or the Monthly Refinancing Payments."

Subject to the provisions of the Collateral Security Agreement concerning an Event of Default, funds in the Revenue Account shall be applied by internal account transfer by the Collateral Agent pursuant to a Revenue Account withdrawal certificate duly executed by a Responsible Officer of the Borrower in the form of Exhibit C attached to the Collateral Security Agreement (a "*Revenue Account Withdrawal Certificate*") and delivered to the Collateral Agent not later than one (1) Business Day prior to the applicable Monthly Date or such other date provided in the Collateral Security Agreement, as applicable (except transfers for paragraphs (1), (2), and (7) below shall be made by the Collateral Agent without an executed Revenue Account Withdrawal Certificate). Under the Collateral Security Agreement, "Monthly Date" means the on or before the 15th day of each calendar month, beginning October 15, 2026.

As set forth above, so long as there is no Event of Default under the Collateral Security Agreement, the Collateral Agent will apply funds in the Revenue Account in the following order of priority:

(1) *first*, on each Monthly Date (after taking into account amounts on deposit in the respective capitalized interest accounts held pursuant to the Indenture to be applied for such purpose), to deposit on a *pro rata basis* into each Account in the Interest Account of the Debt Service Account maintained with respect to the related Series of Bonds and any Additional Senior Secured Indebtedness, if any, the sum of (1) one-sixth (1/6) of the amount of the interest payable on such Series of Bonds and any Additional Senior Secured Indebtedness, on the next Interest Payment Date therefor, and (2) if such Monthly Date is also an Interest Payment Date, or the last Monthly Date before an Interest Payment Date, any other amount required to make the amount credited to the relevant Interest Account of the Debt Service Account equal to the amount of interest due with respect to such Bonds and any Additional Senior Secured Indebtedness, on such Interest Payment Date;

(2) *second*, on each Monthly Date, to the extent there are funds remaining in the Revenue Account as of such date after application of payments set forth in (1) above, to deposit on a *pro rata basis* into each Account in the Principal Account of the Debt Service Account maintained with respect to each Series of Bonds and any Additional Senior Secured Indebtedness, the sum of (1) one-twelfth (1/12) of the amount of the principal payable on such Series of Bonds and any Additional Senior Secured Indebtedness on the next applicable Principal Payment Date (including any Mandatory Sinking Fund Redemption Date) and (2) if the Monthly Date is also a Principal Payment Date (including any Mandatory Sinking Fund Redemption Date) or the last Monthly Date before a Principal Payment Date (including any Mandatory Sinking Fund Redemption Date), any other amount required to make the amount credited to the relevant Account in the Principal Account of the Debt Service Account equal to the amount of principal due with respect to such Series of Bonds and any Additional Senior Secured Indebtedness on such Principal Payment Date (including any Mandatory Sinking Fund Redemption Date);

(3) *third*, on each Monthly Date or any other date when owed, to the extent there are funds remaining in the Revenue Account as of such date after application of payments set forth in (1) and (2) above to the payment of any and all Additional Payments, fees, costs, indemnities, charges and expenses (including reasonable attorneys' fees) then due and payable to Secured Parties, 501(c)(3) Entity, Securities Intermediary and Borrower (such costs to be documented by the Collateral Agent, Trustee, 501(c)(3) Entity, Securities Intermediary, Borrower and Issuer and filed for payment with the Collateral Agent);

(4) *fourth*, on each Monthly Date and on any other date when owed, to the extent there are funds remaining in the Revenue Account as of such date after application of payments set forth in (1) through (3) above, to sufficiently fund any federal tax rebate payments due and owed to be payable pursuant to the Indenture;

(5) *fifth*, on each Monthly Date, to the extent there are funds remaining in the Revenue Account as of such date after application of payments set forth in (1) through (4) above, to deposit to the Operating Account the amount certified by the Borrower in the Revenue Account Withdrawal Certificate as required, together with amounts then on deposit in the Operating Account, to pay Operating Costs that are, or are reasonably expected to become, due and payable during the current or next succeeding calendar month;

(6) *sixth*, on each Monthly Date, to the extent there are funds remaining in the Revenue Account as of such date after application of payments set forth in (1) through (5) above, to be applied on a *pro rata basis* to the payment of any Permitted Indebtedness (other than the Secured Obligations), to the extent any of the payments thereon are then due and payable in the amount certified by the Borrower in the Revenue Account Withdrawal Certificate; and

(7) *seventh*, on each Monthly Date, to the extent there are funds remaining in the Revenue Account as of such date after application of payments set forth in (1) through (6) above, to deposit to the Suspense Account all remaining funds from the Revenue Account.

Debt Service Account. Three accounts will be established in the Debt Service Account under the Collateral Security Agreement – the "Interest Account," the "Principal Account," and the "Redemption Account." Within each of these three accounts, there will be established a subaccount with respect to each series of Series 2026 Bonds and any Additional Senior Secured Indebtedness. Funds to be transferred to the Debt Service Account consist of the above-described transfers from the Revenue Account, from the Termination Fee Account, and amounts paid by the Borrower (or caused to be paid by the Borrower) to the Collateral Agent for the redemption of Series 2026 Bonds pursuant to the ERPA. The Collateral Agent shall not later than three (3) Business Days prior to each Interest Payment Date or Principal Payment Date, withdraw or transfer funds on deposit in the Interest Accounts and the Principal Accounts of the Debt Service Account to the Trustee for deposit in the principal or interest accounts, as applicable, held under the Indenture for the payment of debt service then due and payable and for which funds available therefor are then on deposit in the Debt Service Account. The Collateral Agent shall follow the same procedures noted above to the extent any funds are on deposit and being held for payment on any Additional Senior Secured Indebtedness; provided the Joinder will establish the terms necessary for the Collateral Agent to make such payments.

The Collateral Agent, to the extent funds are available in the Redemption Account, shall not later than thirty (30) days prior to each Redemption Date (unless otherwise acceptable to the Trustee) withdraw or transfer funds on deposit in the Redemption Account to the Trustee for deposit in the redemption account held under the Indenture for the payment of the Redemption Price for the Series 2026 Bonds to be redeemed; provided the Joinder will establish the terms necessary for the Collateral Agent to make such payments.

Termination Fee Account. Upon a termination of the ERPA, the Termination Fee received by the Collateral Agent shall be deposited into the Termination Fee Account established and held pursuant to the Collateral Security Agreement. Promptly upon deposit into the Termination Fee Account, the portion of the Termination Fee necessary to pay the applicable Redemption Price (as defined under the Indenture) of the Series 2026 Bonds shall be transferred by the Collateral Agent (upon delivery of a transfer certificate to be provided by the Borrower) to the Redemption Account herein. To the extent the Termination Fee received is not sufficient to repay the Redemption Price (as defined under the Indenture) of all Series 2026 Bonds in full (due to South County Health not making the entire Termination Fee payment), the Collateral Agent shall transfer the Termination Fee received to the Redemption Account and such Termination Fee shall be deposited into the Accounts in the Redemption Account on a *pro rata* basis across all series of outstanding Series 2026 Bonds and any Additional Senior Secured Indebtedness. After the necessary transfers to the Redemption Account, any remaining portion of the Termination Fee on deposit in the Termination Fee Account shall be disbursed pursuant to the directions contained in the Termination Fee Disbursement Certificate, in the manner set forth in the Collateral Security Agreement.

Operating Account. Funds shall be deposited into the Operating Account pursuant to the Collateral Security Agreement. So long as no Event of Default has occurred and is continuing, and so long as adequate funds are then available in the Operating Account, the Borrower may, by a standing written instruction delivered to the Collateral Agent, instruct the Collateral Agent to transfer funds from the Operating Account from time to time as may be necessary to pay directly any amounts owed for Operating Costs.

Maintenance Reserve Account. The Maintenance Reserve Account will be established under the Collateral Security Agreement. Upon receipt of the Maintenance Reserve Account Payments and any Replenishment Payments by the Collateral Agent pursuant to the Collateral Security Agreement or otherwise shall be deposited by the Collateral Agent into the Maintenance Reserve Account established and held pursuant to the Collateral Security Agreement for application as set forth below.

If, three (3) Business Days prior to any Interest Payment Date or Principal Payment Date, the amounts on deposit in the applicable Interest Account or Principal Account of the Debt Service Account are less than the amount of interest or principal, as applicable, due with respect to the Bonds and any Additional Senior Secured Indebtedness on such date (the "Debt Service Payment Date"), the Collateral Agent shall first apply available funds in the Suspense Account, and then, to the extent of any remaining deficiency, transfer funds from the Maintenance Reserve Account, in each case in the amount necessary to make the amount credited to the relevant Interest Account or Principal Account of the Debt Service Account equal to the amount of interest or principal due on such date.

On each Monthly Date following March 1, 2030, if the amount on deposit in the Maintenance Reserve Account (the "Current MRA Balance") is less than the amounts required in clauses *first* and *second* in the Revenue Account section above for the next six months (after taking into account the scheduled Maintenance Reserve Account Payments required to be paid by South County Health for deposit in the Maintenance Reserve Account during such six-month period) (the "Minimum Maintenance Reserve Account Funding Level"), the Collateral Agent shall:

(i) Calculate the amount by which the Minimum Maintenance Reserve Account Funding Level exceeds the Current MRA Balance (the "*Replenishment Amount*");

(ii) Determine the number of first days of a calendar month from the first day of the calendar month next following such Monthly Date through and including the first day of the calendar month in the month preceding the month in which the next Debt Service Payment Date falls (the "Replenishment Payment Count"); and

(iii) promptly notify the Borrower to require South County Health to make Replenishment Payments under the ERPA, payable on the first day of each calendar month during the period described in clause (ii), each in an amount equal to the Replenishment Amount divided by the Replenishment Payment Count (rounded up to the nearest cent), with the final Replenishment Payment equal to the then-remaining unpaid balance of the Replenishment Amount. Each Replenishment Payment shall be paid to the Collateral Agent for deposit into the Maintenance Reserve Account.

If, as of any subsequent Monthly Date, the Current MRA Balance equals or exceeds the Minimum Maintenance Reserve Account Funding Level, the Collateral Agent shall promptly notify the Borrower that no further Replenishment Payments are required with respect to the previously calculated Replenishment Amount.

The moneys in the Maintenance Reserve Account shall be used and withdrawn by the Collateral Agent to pay the costs for the Energy Assets, lifecycle work for Energy Assets or to be used to restore and replace such Energy Assets following casualty damages stemming from an uninsured casualty loss upon receipt by the Collateral Agent of a Requisition of the Borrower (or its designee), acknowledged and approved by South County Health, in substantially the form attached to the Collateral Security Agreement, on which the Collateral Agent is entitled to conclusively rely.

Distribution Account. Funds shall be deposited into the Distribution Account pursuant to the Collateral Security Agreement. On any Restricted Payment Date, should the Restricted Payment Conditions be satisfied, as certified by the Borrower, the Borrower shall, by written instruction delivered to the

Collateral Agent not later than three (3) Business Days prior to the withdrawal or transfer date, authorize the transfer of funds deposited into the Distribution Account to South County Health.

Suspense Account. Funds shall be deposited into the Suspense Account pursuant to the Collateral Security Agreement. In the event the amounts on deposit in the Revenue Account are insufficient to pay in full the amounts described in clauses *first* through *sixth* under the caption *Revenue Account* hereinabove, the Collateral Agent shall use the funds in the Suspense Account to make deposits to pay in full the amounts required under the Collateral Security Agreement. The Collateral Agent shall transfer amounts on deposit in the Suspense Account, if any, to the applicable account within the Debt Service Account prior to making any transfer pursuant to the provisions described under the caption *Maintenance Reserve Account* hereinabove. If on any Calculation Date (as defined in the Collateral Security Agreement) (i) all transfers and amounts required to be made pursuant to clauses *first* through *sixth* under the caption *Revenue Account* hereinabove, have been satisfied in full and (ii) all Restricted Payment Conditions have been satisfied, in each case as certified by the Borrower, the Borrower may, by written instruction delivered to the Collateral Agent not later than three (3) Business Days prior to the withdrawal or transfer date, authorize funds held in the Suspense Account in excess of the sum of (i) $250,000 and (ii) any amounts accumulated in the Suspense Account which are intended to pay amounts referenced under the caption *Revenue Account* hereinabove when due, to be transferred to the Distribution Account. To the extent funds are transferred from the Suspense Account, the balance to the Suspense Account shall be restored to $250,000 from monthly deposits from the Revenue Account to the extent there are available funds after making the necessary deposits required in clauses *first* through *sixth* under the caption *Revenue Account* hereinabove.

Collateral Proceeds Account. Following the occurrence and during the continuance of an Event of Default, the Borrower does hereby constitute the Collateral Agent its true and lawful attorney, irrevocably, with full power of substitution (in the name of the Borrower or otherwise) to (i) instruct each of the counterparties to make any and all payments in respect of the Material Contracts (as defined in the Collateral Security Agreement) to which the Borrower is a party relating to Project Revenues and the Monthly Refinancing Payments directly to the Collateral Agent for deposit into the Collateral Proceeds Account, (ii) instruct South County Health to transfer any Termination Fee directly to the Collateral Agent for deposit into the Termination Fee Account pursuant to the Collateral Security Agreement, (iii) transfer or deposit (or cause to be transferred or deposited) all Project Revenues and the Monthly Refinancing Payments (to the extent not already included in (i) above) received or to be received directly by the Borrower to the Collateral Agent for deposit into the Collateral Proceeds Account and (iv) transfer or deposit (or cause to be transferred or deposited) all Termination Fees (to the extent not already included in (ii) above) received or to be received directly by the Borrower to the Collateral Agent for deposit into the Termination Fee Account pursuant to the Collateral Security Agreement; *provided* that the Collateral Agent shall not provide any such instructions or make any such deposits unless an Event of Default shall have occurred. Following the Collateral Agent providing any such instruction or making any such deposit, and during the continuance of the applicable Event of Default, if the Borrower or any agent or Affiliate of the Borrower receives any Project Revenues or and the Monthly Refinancing Payments or any payment or portion thereof made pursuant to any Material Contract (as defined in the Collateral Security Agreement) such amounts shall be held for the benefit of the Collateral Agent and the Borrower shall pay, or shall cause such agent or Affiliate to pay, promptly (y) such Project Revenues and the Monthly Refinancing Payments in the form received by such Person to the Collateral Agent for deposit into the Collateral Proceeds Account, and such Project Revenues and such Monthly Refinancing Payments shall be held in the Collateral Proceeds Account and distributed pursuant to the provisions of the Collateral Security Agreement and (z) such Termination Fee in the form received by such Person to the Collateral Agent for deposit into the Termination Fee Account, and such Termination Fee shall be held in the Termination Fee Account and distributed pursuant to the provisions of the Collateral Security Agreement.

If an Event of Default shall have occurred and be continuing, (i) the Collateral Agent shall accept all notices and instructions required to be given to the Collateral Agent pursuant to the terms of the Collateral Security Agreement only from the Required Secured Parties (or their representative) and not from any other Person, (ii) the Collateral Agent may, and upon written direction of the Required Secured Parties, shall not withdraw from, dispose of, transfer, pay or otherwise distribute any monies into, or out of, any of the Accounts except pursuant to such notices and instructions from the Required Secured Parties and (iii) the Collateral Agent may, and upon written direction of the Required Secured Parties shall, deposit into the Collateral Proceeds Account all amounts deposited or held in all Accounts established under the Collateral Security Agreement and apply such amounts in the manner provided for in the Collateral Security Agreement.

All proceeds received by the Collateral Agent following the exercise of any rights or remedies in accordance with the provisions of this Agreement with respect to any Collateral during any period while an Event of Default has occurred and is continuing, including foreclosure and/or sale proceeds with respect to any such Collateral, all amounts in all Accounts, all amounts delivered to, or received by, the Collateral Agent pursuant to the Collateral Security Agreement and all other proceeds relating to the Collateral (or any part thereof) shall be deposited by the Collateral Agent in the Collateral Proceeds Account, and shall be applied by the Collateral Agent:

(i) *First* — to the payment of

(A) costs and expenses (including legal fees and expenses) of foreclosure or suit, if any, and of any sale, and of all proper expenses, liability and advances incurred or made hereunder or under the Financing Documents by the Secured Parties (pursuant to their respective rights to exercise remedies in respect of the applicable Collateral), and

(B) all federally required rebate payments, and all taxes, assessments or Liens superior to the Liens of the Security Documents (except any taxes, assessments or other superior Liens subject to which such sale of the applicable Collateral may have been made) in respect of the applicable Collateral;

provided that for purposes of this clause (i), all of the aforesaid amounts owing in respect of federally required rebate payments and taxes, assessments or Liens referred to above shall be paid first, all of the aforesaid amounts owing to the Collateral Agent shall be paid second and all of the aforesaid amounts owing the Secured Parties shall be paid third;

(ii) *Second — first,* on a *pro rata* basis, to the payment of any and all Additional Payments (as defined in the Indenture), fees, costs, indemnities, charges and expenses (including reasonable attorneys' fees and expenses) then due and payable to the Secured Parties (such costs to be documented by the Collateral Agent, Trustee and Issuer and filed for payment with the Collateral Agent);

(iii) *Third* — on a *pro rata* basis, to the payment of amounts due and payable to the Secured Parties with respect to accrued interest on the outstanding Secured Obligations;

(iv) *Fourth* — on a *pro rata* basis, to the payment of any outstanding principal of the Secured Obligations;

(v) *Fifth* — on a *pro rata* basis, to the payment of any other payments otherwise due and owing on, or with respect to, the Secured Obligations (including amounts due with respect to indemnities, any commitment fees, letter of credit fees, breakage fees, Redemption Price and Make-Whole

Amount and prepayment premiums on or with respect to the Secured Obligations), until the Secured Obligations are no longer outstanding;

(vi) *Sixth* — on a pro rata basis, to the payment of any outstanding Permitted Indebtedness (other than the Secured Obligations) until such Permitted Indebtedness is no longer outstanding; *and*

(vii) *Seventh* — to the payment of the surplus, if any, to South County Health.

The Borrower will remain liable under the Collateral Security Agreement for payment of any deficiency owing on the applicable Secured Obligations after application of such proceeds.

Prior to making any payments described above, the Collateral Agent shall be entitled to receive, and to conclusively rely on, (i) a certificate from each Secured Party, executed by an authorized officer of such Secured Party, as to the outstanding amounts of the Secured Obligations owing to such Secured Party, which amounts shall be identified as to type of Secured Obligations owing to such Secured Party in accordance with the allocation provisions described above and (ii) direction to make any payment from the Required Secured Parties. The Collateral Agent shall deliver a copy of each such certificate and direction to South County Health promptly after its receipt thereof. Failure of the Collateral Agent to deliver any such materials or notices to South County Health, or any defect therein, shall not impair, waive, or otherwise affect any right of the Collateral Agent to take any action or to exercise any right or remedy available to it under the Collateral Security Agreement, at law, or in equity, including the right to enforce any remedies hereunder or under the Collateral Security Agreement.

Availability of Remedies. Upon the occurrence of any event of default under the Collateral Security Agreement, the Loan Agreement, or the Indenture, and after the expiration of any applicable grace period, and subject to the terms and conditions of the Collateral Security Agreement, the Indenture, the Loan Agreement and the Direct Agreement, the Collateral Agent first must provide South County Health with written notice and allow a 60 day period of time for South County Health to cure such event of default or exercise its rights under the ERPA relating to the termination of the Material Contracts (as defined in the Collateral Security Agreement) and paying the termination fee or leaving the Material Contracts (as defined in the Collateral Security Agreement) related to the Borrower outstanding and continuing to pay the Capacity Charge and the Monthly Refinancing Payment. The Collateral Agent will not terminate the Collateral Security Agreement, the Loan Agreement or any other related financing documents during that period. After such period, the Collateral Agent may take actions to dispose of its interest in accordance with, and subject to, the Direct Agreement. See APPENDIX D – "SUMMARY OF CERTAIN PROVISIONS OF THE ENERGY RESILIENCE AND PERFORMANCE AGREEMENT – TERMINATION" and APPENDIX H – "FORM OF DIRECT AGREEMENT."

Termination of Collateral Security Agreement and Release of Collateral Upon a Debt Assumption. If a Debt Assumption occurs in accordance with the Indenture, then and in that case and without further action by any Person the Collateral Security Agreement shall cease, terminate and become null and void, all Liens in the Collateral in respect of the Secured Obligations shall be released and terminated and thereupon the Collateral Agent shall, upon the written request of the Borrower (or, if a Debt Assumption shall have occurred, to or at the direction of South County Health) or any other party to the Security Documents, forthwith (1) authorize, execute, and deliver proper instruments terminating or acknowledging the termination of the Collateral Security Agreement, the other Security Documents, the Liens created pursuant thereto and any related UCC financing statements and any other related filings in public offices and (2) transfer title to and possession of all Collateral to the Borrower (or, if a Debt Assumption shall have occurred, to or at the direction of South County Health). The termination hereof and of the other Security Documents shall be without prejudice to the rights of the Collateral Agent under the Collateral Security

Agreement to charge and be reimbursed by the Borrower for any expenditures that it may thereafter incur in connection herewith and without prejudice to the rights of the Collateral Agent and any Secured Party under any provisions of the Collateral Security Agreement or in the other Security Documents, the effectiveness of which is therein expressly provided to survive any one or more of the payment of any of the Secured Obligations and the termination hereof, *provided* that, in any event and notwithstanding the survival of such rights, the Liens in and to the Collateral shall be released upon the termination of the Collateral Security Agreement. See APPENDIX D – "SUMMARY OF CERTAIN PROVISIONS OF THE ENERGY RESILIENCE AND PERFORMANCE AGREEMENT" and APPENDIX H – "FORM OF DIRECT AGREEMENT – South County Health's Right to Cure."

For the specific terms of the Collateral Security Agreement, by which the above summary discussion is qualified in its entirety, including provisions relating to the description of the Collateral, the other Accounts established thereunder, covenants relating to the Lien of the Collateral and Permitted Indebtedness, disposition of insurance and condemnation proceeds, and Events of Default and remedies, see APPENDIX G – "FORM OF COLLATERAL SECURITY AGREEMENT."

The Indenture

Trust Estate. In consideration of the purchase of the Series 2026 Bonds by the Owners thereof, in order to secure the payment of the Series 2026 Bonds, and in order to secure the performance and observance of all the covenants and conditions set forth in the Series 2026 Bonds and the Indenture, the Issuer pursuant to the Indenture pledges to the Trustee, and grants to the Trustee a security interest in and lien on, all of its right, title and interest, whether now owned or thereafter acquired, in, to and under the following (collectively, the "Trust Estate"):

(1) the Loan Agreement and any Additional Parity Bonds Loan Agreement (if executed) (except for Reserved Rights), including, without limitation, all Revenues (as defined in the Indenture) and all rights to payment with respect to the Loan Agreement, any Additional Parity Bonds Loan Agreement, and the Revenues;

(2) each fund and each account established under the Indenture (except (i) the Series 2026A Rebate Fund and any similar fund established with respect to any Additional Parity Bonds and (ii) any other fund or account specifically excluded from the Trust Estate pursuant to the terms of a Supplemental Indenture) and all money, instruments, securities, investment property, and other property (including proceeds of the sale of the Series 2026 Bonds or Additional Parity Bonds) on deposit in or credited to any fund or account established pursuant to this Indenture (except (i) the Series 2026A Rebate Fund and any similar fund established with respect to any Additional Parity Bonds and (ii) any other fund or account specifically excluded from the Trust Estate pursuant to the terms of a Supplemental Indenture);

(3) the Collateral Security Agreement and the other Security Documents;

(4) any and all other property, revenues, rights or funds from time to time hereafter by delivery or by writing of any kind specifically pledged and granted a security interest and lien on as additional security for any of the Series 2026 Bonds or Additional Parity Bonds, the Loan Agreement or any Additional Parity Bonds Loan Agreement (if executed) in favor of the Trustee or the Collateral Agent on behalf of the Trustee, including any of the foregoing pledged and granted a security interest and lien on by the Borrower or any other Person on behalf of the Borrower; and

(5) all proceeds of the foregoing.

Funds and Accounts to be Established Under the Indenture. Various funds and accounts will be created under the Indenture, including for the payment of principal of and interest on the Series 2026 Bonds when due. Such funds and accounts include: (a) Debt Service Fund (the "Debt Service Fund"), and within the Debt Service Fund, four Accounts designated (i) the "Interest Account" (the "Interest Account"), (ii) the "Principal Account" (the "Principal Account"), (iii) the "Redemption Account" (the "Redemption Account"); and (iv) the "Series 2026 Funded Interest Account" (the "Series 2026 Funded Interest Account"), and within the Series 2026 Funded Interest Account two subaccounts designated (A) the "Series 2026A Funded Interest Subaccount" and (B) the "Series 2026B Taxable Funded Interest Subaccount," (b) the Series 2026A Rebate Fund, (c) the Costs of Issuance Fund (the "Costs of Issuance Fund"), and within the Costs of Issuance Fund, two Accounts designated (i) the "Series 2026A Costs of Issuance Account" and (ii) the "Series 2026B Taxable Costs of Issuance Account" and (d) the Energy Assets Project Fund (the "Energy Assets Project Fund"), and within the Energy Assets Project Fund, two Accounts designated (i) the "Series 2026A Energy Assets Project Account" and (ii) the "Series 2026B Taxable Energy Assets Project Account."

Debt Service Fund. Monies on deposit in any Account established within the Debt Service Fund shall be used solely for the payment of principal of or interest on or Redemption Price of the Bonds Outstanding, as set forth in this Indenture. Monies on deposit in any subaccount of the Interest Account, the Principal Account or the Series 2026 Funded Interest Account shall be used solely for the payment of principal of or interest on the applicable series of the Series 2026 Bonds Outstanding, as set forth in the Indenture. There shall be deposited into the appropriate Account and subaccount of such Account of the Debt Service Fund: (i) amounts remitted or transferred by the Collateral Agent to the Trustee for deposit into the Interest Account pursuant to the Collateral Security Agreement; (ii) amounts remitted or transferred by the Collateral Agent to the Trustee for deposit into the Principal Account pursuant to the Collateral Security Agreement; (iii) any moneys paid to the Trustee pursuant to the Indenture with respect to the Redemption Price of the Bonds, including amounts remitted or transferred by the Collateral Agent to the Trustee for deposit in the Redemption Account pursuant to the Collateral Security Agreement; (iv) into the Series 2026A Funded Interest Subaccount, $[______] to pay interest on the Series 2026A Bonds, (v) into the Series 2026B Funded Interest Subaccount, $[______] to pay interest on the Series 2026B Taxable Bonds, and (vi) all other moneys received by the Trustee that are accompanied by directions that such moneys are to be deposited into such Account..

Moneys on deposit in each subaccount of the Series 2026 Funded Interest Account shall be applied by the Trustee, prior to the application of any other funds in the Debt Service Fund, to pay interest on the related Series 2026 Bonds in accordance with the Indenture. Notwithstanding the foregoing, upon the redemption of any portion of the Series 2026 Bonds, any funds on deposit in the related subaccount of the Series 2026 Funded Interest Account in excess of the amount necessary to pay interest on the related Series 2026 Bonds remaining Outstanding following such redemption shall be released from such subaccount of the Series 2026 Funded Interest Account and applied by the Trustee as directed by the Borrower, which direction shall be accompanied by a Favorable Opinion of Bond Counsel.

If on any Interest Payment Date the funds on deposit in the Interest Account are not sufficient to pay the Interest Payment on the related Series 2026 Bonds in full on such Interest Payment Date, the Trustee shall transfer moneys from the Principal Account for such related Series 2026 Bonds sufficient to make such payment. If on any Debt Service Payment Date there exists both (i) funds on deposit in the Interest Account for the related Series 2026 Bonds in excess of the amount necessary to pay the Interest Payment on such related Series 2026 Bonds due on such date, and (ii) insufficient funds on deposit in the Principal Account for such related Series 2026 Bonds to make the principal payment due on such date in full, the Trustee shall transfer all or such portion of such excess funds on deposit in the Interest Account to the Principal Account as necessary to provide for such principal payment in full.

Moneys held in any account of the Debt Service Fund following an acceleration of the Series 2026 Bonds upon an Event of Default will be used as provided in the Indenture and the Collateral Security Agreement.

Series 2026A Rebate Fund; Costs of Issuance Fund; Energy Assets Project Fund. The Series 2026A Rebate Fund shall be for the sole benefit of the United States of America, shall be excluded from the Trust Estate as described in Section 2.1(b) hereof, and shall not be subject to the claim of any other Person, including without limitation, the Owners. The Series 2026A Rebate Fund is established for the purpose of complying with Section 148 of the Code and the Treasury Regulations promulgated pursuant thereto as further described in the Indenture. There shall be deposited into the Series 2026A Rebate Fund all amounts transferred to such Fund pursuant to the Collateral Security Agreement (which amounts shall satisfy the requirements of the Loan Agreement). The money deposited in the Series 2026A Rebate Fund, together with all investments thereof and investment income therefrom, shall be held in trust and applied solely as directed by the Borrower as provided in the Tax Agreement. The Series 2026A Rebate Fund is not a portion of the Trust Estate and is not subject to any lien under the Indenture. Notwithstanding the foregoing, the Trustee with respect to the Series 2026A Rebate Fund is afforded all the rights, protections and immunities otherwise accorded to it hereunder.

The moneys in each Account within the Costs of Issuance Fund shall be used and withdrawn by the Trustee to pay the Costs of Issuance upon receipt by the Trustee of a Requisition of the Borrower, on which the Trustee is entitled to conclusively rely, stating the Person to whom payment is to be made, the amount to be paid, the purpose for which the obligation was incurred and that such payment is a proper charge against said Account. On the one hundred eightieth (180th) day following the Closing Date, or upon the earlier request of the Borrower, amounts, if any, remaining in each Account of the Costs of Issuance Fund shall be transferred to the applicable subaccount of the Series 2026 Funded Interest Account. The Issuer has no obligation under the Indenture or under the Act to deposit any funds (other than the proceeds of the Bonds as provided in the Loan Agreement or pursuant to a Supplemental Indenture or supplemental Loan Agreement as it relates to Additional Parity Bonds) into the Costs of Issuance Fund, or to apply any funds to the payment of the Costs of Issuance except the funds in the Costs of Issuance Fund or other funds specifically made available therefor by or on behalf of the Borrower.

The moneys in each Account within the Energy Assets Project Fund shall be used and withdrawn by the Trustee to pay the costs of making in-kind Energy Asset Improvements (as defined in the ERPA) upon receipt by the Trustee of a Requisition of the Borrower, on which the Trustee is entitled to conclusively rely, stating the Person to whom payment is to be made, the amount to be paid, the purpose for which the obligation was incurred and that such payment is a proper charge against said Account. Upon the written direction of an Authorized Representative of the Borrower following completion of the Project, amounts, if any, remaining in each Account of the Energy Assets Project Fund shall be transferred to the Series 2026A Interest Subaccount. The Issuer has no obligation hereunder or under the Act to deposit any funds (other than the proceeds of the Bonds as provided in the Loan Agreement or pursuant to a Supplemental Indenture or supplemental Loan Agreement as it relates to Additional Parity Bonds) into the Energy Assets Project Fund, or to apply any funds to the payment making in-kind Energy Asset Improvements (as defined in the ERPA) except the funds in the Energy Assets Project Fund or other funds specifically made available therefor by or on behalf of the Borrower.

Additional Parity Bonds. Subject to the restrictions set forth in the Indenture and the Collateral Security Agreement and upon request by the Borrower, the Issuer may issue Additional Parity Bonds, which shall be ratably and equally secured by the Trust Estate, upon execution of a Supplemental Indenture without consent of the Owners of the Bonds pursuant to the Indenture. Except to the extent inconsistent with the express terms of the Additional Parity Bonds issued and the related Supplemental Indenture executed pursuant to the Indenture, all of the provisions, terms, covenants and conditions of the Indenture shall be applicable to any Additional Parity Bonds issued thereunder. Such Additional Parity Bonds may be issued in one or more series from time to time only if all requirements for the Borrower to issue or incur Additional Senior Secured Indebtedness set forth in the Financing Documents shall have been satisfied.

For the specific terms of the Indenture, by which the above summary discussion is qualified in its entirety, including provisions relating to Events of Default and remedies, see APPENDIX E— "FORM OF INDENTURE."

The Loan Agreement

Repayment Terms. Pursuant to the Loan Agreement, the Borrower covenants and agrees to repay the Series 2026 Loan (as defined in the Indenture) as follows: on or before any Interest Payment Date for the Series 2026 Bonds or any other date that any payment of interest, principal or Redemption Price on the Series 2026 Bonds is required to be made in respect of the Series 2026 Bonds pursuant to the Indenture, until the payment of interest, principal or Redemption Price on the Series 2026 Bonds shall have been fully paid or provision for the payment thereof shall have been made in accordance with the Indenture, in immediately available funds, a sum which, together with any other moneys available for such payment in the applicable Account of the Debt Service Fund will enable the Trustee to pay to the Owners of the Series 2026 Bonds the amount due and payable on such date as interest, principal or Redemption Price on the Series 2026 Bonds as provided in the Indenture.

Obligations of the Borrower Unconditional. The obligations of the Borrower to make payments required by the Loan Agreement and to observe and perform all covenants under the Loan Agreement will be absolute and unconditional.

Prepayment Terms. The Borrower shall have the option to prepay its obligations hereunder at the times and in the amounts as necessary to cause the Issuer to redeem the Series 2026 Bonds in accordance with the terms of the Indenture and the Series 2026 Bonds. The Issuer, at the written request and expense of the Borrower, if applicable, shall direct Bond Counsel to prepare all necessary documents and the Issuer shall forthwith take all steps (other than the payment of funds necessary to effect such redemption) as advised by Bond Counsel necessary under the applicable redemption provisions of the Indenture to effect redemption of all or part of the Outstanding Series 2026 Bonds, as may be specified by the Borrower and required by the Indenture, on the date established for such redemption. Upon any such redemption in full and payment of all amounts required by the Indenture, the Loan Agreement shall terminate.

Covenants of the Borrower. The Borrower will make certain covenants in the Loan Agreement, certain of which are described below. See APPENDIX F — "FORM OF LOAN AGREEMENT" for the complete text of the covenants the Borrower will agree to under the Loan Agreement.

Tax Covenant. The Borrower covenants and agrees that it will at all times do and perform all acts and things permitted and as may from time to time be required by law or the Loan Agreement and the Tax Agreement which are necessary in order to assure that interest paid on the Series 2026A Bonds will be excluded from gross income for federal income tax purposes and will take no action that would result in such interest not being so excluded. Without limiting the generality of the foregoing, the Borrower agrees to comply with the provisions of the Tax Agreement. This covenant shall survive payment in full or defeasance of the Series 2026A Bonds.

Limitations on Indebtedness. The Borrower will covenant not to create, incur or assume any Indebtedness, other than Permitted Indebtedness.

Enforcement of Material Contracts Relating to the Energy Projects. The Borrower will covenant to perform all of its obligations and enforce all of its rights under the Material Contracts, except to the extent that failure to perform its obligations or enforce such rights would not reasonably be expected to have a Material Adverse Effect.

Rating Covenant. The Borrower will covenant to, for so long as South County Health has a long-term rating on its debt obligations from at least one national recognized rating agency, maintain a rating on the Series 2026 Bonds from at least one nationally recognized rating agency.

For the specific terms of the Loan Agreement, by which the above summary discussion is qualified in its entirety, including provisions relating to Loan Default Events and remedies, see APPENDIX F — "FORM OF LOAN AGREEMENT."

Permitted Indebtedness

Pursuant to the Collateral Security Agreement, the Borrower may, in certain circumstances, incur Permitted Indebtedness comprised of the following:

(i) the Series 2026 Bonds;

(ii) amounts payable under the Material Contracts (as defined in the Collateral Security Agreement) to the extent the same constitutes Indebtedness as defined in the Collateral Security Agreement;

(iii) Additional Senior Secured Indebtedness (including Additional Bonds) incurred solely for one or more of the following purposes: (A) to expand or add to the Project or otherwise make capital improvements or (B) to refinance, replace or refund all or part of the Bonds or any other Additional Senior Secured Indebtedness; provided that no such Additional Senior Secured Indebtedness shall be incurred unless: (x) the Borrower shall deliver a certificate to the Collateral Agent certifying that: (i) the Base Capacity Charge and the Monthly Refinancing Payment under the Material Contracts (as defined in the Collateral Security Agreement) is sufficient (i.e. 1.0 to 1.0) to satisfy all amounts payable under the Collateral Security Agreement for each Calculation Period from the date of debt incurrence until the last Maturity Date of the Bonds and any Additional Bonds, (ii) no Default or Event of Default exists or would exist after giving effect to such Additional Senior Secured Indebtedness; and (iii) the rating on the outstanding Bonds as then in effect will not be reduced, suspended or withdrawn as a result of the incurrence of such Additional Senior Secured Indebtedness; and (y) the Additional Senior Secured Party shall execute and deliver a Joinder to the Borrower and the Collateral Agent in a form satisfactory to the Borrower and Collateral Agent.

RISK FACTORS

A purchase of the Series 2026 Bonds involves certain risks. Some of these risks are described below. Prospective investors should carefully consider these risks, as well as other information contained in this Official Statement (including the Appendices hereto), before deciding to purchase any of the Series 2026 Bonds. These risks, as well as certain risks and uncertainties not currently known to the Borrower, could materially adversely affect the Borrower's business or financial condition, or the operation of the Project.

Series 2026 Bonds are Limited Obligations of the Issuer

THE SERIES 2026 BONDS ARE LIMITED OBLIGATIONS OF THE ISSUER. THE SERIES 2026 BONDS ARE NOT DEBT OF THE STATE OF RHODE ISLAND OR THE POLITICAL SUBDIVISIONS OF SUCH STATE. NO BOND ISSUED UNDER THE ACT SHALL OBLIGATE THE STATE OF RHODE ISLAND, THE ISSUER, OR ANY POLITICAL SUBDIVISION APPROVING A FINANCING UNDER THE ACT, TO LEVY ANY TAX OR MAKE ANY APPROPRIATION FOR PAYMENT THEREOF OR WITH RESPECT THERETO. THE SERIES 2026 BONDS ISSUED BY THE ISSUER UNDER THE ACT ARE PAYABLE SOLELY FROM THE TRUST ESTATE PROVIDED THEREFOR PURSUANT TO THE INDENTURE. THE ISSUER HAS NO TAXING POWER.

No Debt Service Reserve Fund

The Series 2026 Bonds are not secured by any debt service reserve or other similar reserve fund, and no such reserve fund has been established in connection with the issuance of the Series 2026 Bonds. Amounts in the Maintenance Reserve Account may be used to pay debt service on the Series 2026 Bonds in accordance with the Collateral Security Agreement. The Maintenance Reserve Account is not funded with proceeds of the Series 2026 Bonds and will be funded with Maintenance Reserve Account Payments, which is a component of the Capacity Charge and which funding begins nineteen (19) months following the issuance of the Series 2026 Bonds. The Maintenance Reserve Account is not subject to being drawn upon until fully funded to its Minimum Maintenance Reserve Account Funding Level (as defined herein). If the Borrower notifies South County Health that the Maintenance Reserve Account is less than the Minimum Maintenance Reserve Account Funding Level (as defined herein) under the Collateral Security Agreement, the ERPA obligates South County Health to make Replenishment Payments to such minimum funding level no later than as required under the Collateral Security Agreement. See "SECURITY AND SOURCES OF REPAYMENT OF THE SERIES 2026 BONDS – Collateral Security Agreement – *Maintenance Reserve Account*" hereinbelow for additional information concerning the Maintenance Reserve Account.

Risks Related to Payments under Certain Material Contracts

The obligation of South County Health to make payments to the Borrower for the operation of the Energy Projects and Monthly Refinancing Payments pursuant to the ERPA is an unsecured contractual obligation of South County Health. While South County Health's payment obligations with respect to indebtedness evidenced by notes issued under its Master Indenture may constitute general unsecured obligations of South County Health, the treatment of South County Health's unsecured contractual payment obligations to the Borrower and its unsecured payment obligations with respect to indebtedness may differ if South County Health were to become a debtor in a bankruptcy case. See "Bankruptcy and Insolvency Risks" below. Such payments relating to the operation of the Energy Projects are expected to be treated by South County Health similarly to other current operating expenses of South County Health while payment of the Monthly Refinancing Payments is expected to be treated by South County Health similarly to other indebtedness; however, both payments are payable from any source of South County Health's legally available funds. However, other than the payments owing to the Borrower pursuant to the ERPA, and any termination compensation provided pursuant to the ERPA, the Borrower has no right to any material payments from South County Health pursuant to any of the Material Contracts or otherwise in connection with the Energy Projects. If South County Health is not able to realize revenues in amounts sufficient to make the payments owing to the Borrower pursuant to the ERPA, the Borrower likely will not have sufficient revenues to make payments pursuant to the Loan Agreement and the Collateral Security Agreement, and, in turn, there likely would be insufficient monies under the Collateral Security Agreement and the Indenture to pay debt service on the Series 2026 Bonds.

The ability of South County Health to realize revenues in amounts sufficient to make the required payments to the Borrower pursuant to the ERPA is affected by the financial condition and operating performance of South County Health. South County Health, as a nonprofit tax-exempt organization, operates in a complex federal and state regulatory environment that is subject to a wide variety of federal and state laws, regulations, rules and governmental administrative policies and determinations, and those laws, regulations, rules and administrative policies and determinations are regularly subject to change. Any such changes could reduce or limit government reimbursement for health care services, which could materially adversely affect South County Health's financial condition, or materially adversely affect South County Health's manner and/or cost of providing health care services and its ability to make timely and sufficient payments under the ERPA. In addition, the financial and operational impact of non-compliance or alleged non-compliance with any such laws, regulations, rules, policies or determinations can be material and adverse.

For additional information concerning various risks that may affect South County Health's operations and financial condition, see APPENDIX B – "INFORMATION CONCERNING SOUTH COUNTY HOSPITAL HEALTHCARE SYSTEM," and APPENDIX L – "AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF SOUTH COUNTY HOSPITAL HEALTHCARE SYSTEM ENDOWMENT AND AFFILIATES FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025 AND 2024."

Certain Construction and Completion Risks

A portion of the proceeds of the Series 2026 Bonds will be used for constructing, installing and equipping the Energy Projects. Certain risks are inherent in construction projects. These risks include: unavailability of materials, labor and supplies, calamities, natural disasters, strikes and other risks typically associated with construction which may delay completion of the improvements and/or increase costs.

The cost of various components of the Energy Projects is based upon estimates of Optimum and others that the Borrower and South County Health believe are accurate. No assurance can be given, however, that costs of the Energy Projects will not exceed the construction cost estimates developed by Optimum in connection with the improvements. Change orders and other contingencies generally involved in construction projects generally, such as fire, delays, labor difficulties and difficulties in obtaining materials, may cause the actual cost of completion to exceed available funds. See APPENDIX A – "INFORMATION CONCERNING THE BORROWER, THE ENERGY PROJECTS AND THE MATERIAL CONTRACTS – ENERGY RESILIENCE AND PERFORMANCE AGREEMENT – Improvements / Construction / Timeline."

Failure to Achieve Guaranteed Savings

The Energy Projects are cumulatively intended to reduce South County Health's consumption of energy and reduce the utility costs of South County Health. The Borrower has guaranteed such energy savings under the ERPA (the "Guaranteed Savings"), with such obligation passed through to Optimum pursuant to the Project Implementation Agreement. The ERPA calculates and provides for the annual Guaranteed Savings on an aggregate basis, such calculations are a KPI for whether actual energy savings (the "Annual Savings") have been achieved. In the event there is a shortfall in achieving the Guaranteed Savings in any Service Year, the Borrower will either pay South County Health an amount equal to such shortfall or perform an equivalent amount of in-kind D&C Work ("Guaranteed Savings Shortfall"). The failure to achieve the Guaranteed Savings under the ERPA or disputes between the parties over the amount of the payments due to South County Health in the event of a shortfall could have a negative impact on the financial condition of South County Health. See APPENDIX A – "INFORMATION CONCERNING THE

BORROWER, THE ENERGY PROJECTS AND THE MATERIAL CONTRACTS – ENERGY RESILIENCE AND PERFORMANCE AGREEMENT – Guaranteed Savings."

Replacement of Operator for Borrower Default

In the event of a default by the Borrower under the ERPA (after expiration of any applicable cure periods), South County Health may either (i) require the Borrower to replace its operator if the default is caused by its operator or (ii) terminate the ERPA. To the extent that South County Health exercises its termination rights as permitted under the ERPA, due to either a Borrower default or a termination for change in law or a casualty property loss event, South County Health may pay the Termination Fee, including 100% of the Lenders' Liabilities portion of the Termination Fee or, in lieu of paying the Lenders' Liabilities portion of the Termination Fee: (i) assume the Borrower's obligations under the Financing Documents through an assignment and/or novation by the Borrower to South County Health and issue an master trust indenture note obligation under its master trust indenture effective the termination date, to evidence and secure its obligations under the Financing Documents; or (ii) direct Borrower to terminate Optimum under the Project Implementation Agreement and continue paying the Capacity Charge and the Monthly Refinancing Payment to the Borrower; provided, that (a) the Borrower will retain the Concession Rights under the ERPA; (b) South County Health will enter into a subcontracting arrangement with the Borrower to perform O&M Services and Retained Assets Services; (c) the ERPA will remain in full force and effect solely with respect to provisions pertaining to the payment of the Capacity Charge and the Monthly Refinancing Payment; (d) the Financing Documents, including the Direct Agreement, will remain in full force and effect. In the event of a termination of Optimum under the Project Implementation Agreement, options for a replacement operator may be limited. See APPENDIX A – "INFORMATION CONCERNING THE BORROWER, THE ENERGY PROJECTS AND THE MATERIAL CONTRACTS – ENERGY RESILIENCE AND PERFORMANCE AGREEMENT – Term and Termination" and APPENDIX D - "SUMMARY OF CERTAIN PROVISIONS OF THE ENERGY RESILIENCE AND PERFORMANCE AGREEMENT – Termination."

Factors Generally Affecting Hospitals

See APPENDIX B - "INFORMATION CONCERNING SOUTH COUNTY HOSPITAL HEALTHCARE SYSTEM – Bondholders' Risks Related to South County Health," which section by this reference is fully incorporated herein. Although the description in such section is not all-inclusive, the risk factors described therein may adversely affect the operations of hospitals in the future, including the operations of South County Hospital, to an extent that cannot be determined at this time.

Borrower is a Single-Purpose Entity

The Borrower was formed for the purpose of entering into the Material Contracts and the Financing Documents and has no revenues or assets other than the Borrower's rights under the Material Contracts, including the Borrower's rights to operate the Energy Assets, and to receive the payments from South County Health. Substantially all of the Borrower's improvements, operations and maintenance-related responsibilities in connection with the Energy Projects are being passed through to Optimum, and substantially all of the Borrower's rights under the Material Contracts are being pledged and assigned as security for the Borrower's financial obligations in connection with the Energy Projects. Neither South County Health nor any other Energy Project participant is liable for the payment of the principal of, premium, if any, or interest on the Series 2026 Bonds (except, in the case of South County Health, if a Debt Assumption were to occur). No assurance can be given, however, that the funds available to the Borrower or the Trustee will be sufficient to make all of the payments required to be made under the Indenture, including payments of principal and interest on the Series 2026 Bonds.

Conflicting Interests of the Parties

As in any commercial arrangement, parties may disagree about the appropriate course of action to be taken, particularly if adverse events occur. South County Health, the Borrower and the other parties to the Material Contracts have different priorities and interests and may have difficulty resolving disputes should their interests diverge. Similarly, South County Health, the Issuer, the Trustee, on behalf of the Owners of the Series 2026 Bonds, and the Collateral Agent, on behalf of the Secured Parties, may have different interests and priorities following a default or other adverse event under the Material Contracts, and no assurance can be given that South County Health will be willing or able to take into account the interests of the Owners of the Series 2026 Bonds if an event occurs that would entitle South County Health to terminate or to take other remedial action under the Material Contracts. There can be no assurance that in the event of a default under any of the Financing Documents, the interests of the Owners of the Series 2026 Bonds and South County Health will align or that South County Health will not assert a right under the Material Contracts that is adverse to the interests of the Owners of the Series 2026 Bonds.

Bankruptcy and Insolvency Risks

The enforceability of the rights and remedies of the Owners of the Series 2026 Bonds under the Indenture, the enforceability of obligations of the parties to the Financing Documents, the Security Documents or the Material Contracts, and the enforceability of the liens, security interests and pledges created by the Indenture, the Security Documents, and other documents, may be subject to the United States Bankruptcy Code (the "Bankruptcy Code"), to other bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally and equitable principles that may limit enforcement of certain remedies. Risks associated with a bankruptcy of any party to the foregoing documents include the risks of delay in payment or of nonpayment under the Collateral Security Agreement and the Loan Agreement. If any party to the foregoing documents were to become the subject of bankruptcy or similar proceedings, the Issuer, the Collateral Agent and the Trustee could be prohibited from taking any action to enforce the Financing Documents, the Security Documents or the Material Contracts, or any other applicable transaction document, against the applicable party without the permission of the bankruptcy court. Certain of these risks are risks that are incurred whenever one enters into a contract with an entity that could become a debtor under the Bankruptcy Code, while others are risks that result from the treatment under the Bankruptcy Code of unexpired leases or secured financings. Potential purchasers of the Series 2026 Bonds should consult their own attorneys and advisors in assessing the risks and the likelihood of recovery in the event a party to a document described herein becomes a debtor under the Bankruptcy Code prior to the time the Series 2026 Bonds are paid in full.

Should the Borrower, Optimum, South County Health or any other party to the transaction documents go into bankruptcy, there could be delays or reductions in payments on, or other losses with respect to, the Series 2026 Bonds. Actions could be taken in a bankruptcy that adversely affect the exclusion of interest on the Series 2026A Bonds from gross income for federal income tax purposes. While it is the intent of the Borrower that the transaction documents require South County Health to make the required payments without any setoffs or defenses, including any setoffs or defenses that might arise from the bankruptcy of a transaction participant, no assurance can be given that these requirements in the transaction documents will be enforceable in accordance with their terms. Furthermore, it is possible that, if South County Health itself were to become a debtor in a bankruptcy case, a bankruptcy court may determine that the Thermal Services that the Borrower is providing under the terms of the ERPA constitute services as described by Section 366 of the Bankruptcy Code. In such event, subject to bankruptcy court approval, the Borrower may be able to require that South County Health provide adequate assurance of its ability to pay for the Thermal Services under the ERPA (including the required Capacity Charge payments). On the other hand, the court may find that the Borrower is not providing services under Section 366 of the Bankruptcy Code, such that the Borrower would not be entitled to the protections of Section 366 of the Bankruptcy

Code. Any such judicial discretion or interpretation may cause a delay in enforcement or may limit or modify the rights and remedies available to the Borrower and holders of the Series 2026 Bonds. Regardless of any decision made by a court, the fact that a bankruptcy case has been commenced by or against South County Health could have an adverse effect on the liquidity and value of the Series 2026 Bonds.

In addition, if South County Health were to become the subject of bankruptcy or similar proceedings, a bankruptcy or similar court could determine that South County Health is no longer required to perform its obligations under the ERPA, or the court could authorize South County Health to reject such agreement, thereby depriving the Borrower of its rights thereunder, including the rights of the Borrower to collect the Capacity Charge, the Monthly Refinancing Payments and other amounts under the ERPA. In such event, payments to the holders of the Series 2026 Bonds could be delayed. The holders of the Series 2026 Bonds may not be able to be repaid all of the outstanding amounts due on the Series 2026 Bonds.

Enforceability of the Financing Documents

The legal right and practical ability of the Trustee to enforce their rights and remedies against the Borrower under the Loan Agreement and related documents and of the Collateral Agent to enforce its rights and remedies against the Borrower under the Collateral Security Agreement and related documents may be limited by laws relating to bankruptcy, insolvency, reorganization, fraudulent conveyance or moratorium and by other similar laws affecting creditors' rights. In addition, the Trustee's and the Collateral Agent's ability to enforce such terms will depend upon the exercise of various remedies specified by such documents which may in many instances require judicial actions that are often subject to discretion and delay or that otherwise may not be readily available or may be limited.

In addition, common law authority and authority under state statutes exists for the ability of courts in such states to terminate the existence of a nonprofit corporation or undertake supervision of its affairs on various grounds, including a finding that such South County Health has insufficient assets to carry out its stated charitable purposes. Such court action may arise on the court's own motion or pursuant to a petition of the attorney general of such states or such other persons who have interests different from those of the general public, pursuant to the common law and statutory power to enforce charitable trusts and to see to the application of their funds to their intended charitable uses.

The various legal opinions delivered concurrently with the issuance of the Series 2026 Bonds are qualified as to the enforceability of the various legal instruments by limitations imposed by state and federal laws, rulings, policy and decisions affecting remedies and by bankruptcy, reorganization or other laws of general application affecting the enforcement of creditors' rights or the enforceability of certain remedies or document provisions.

Additional Parity Bonds

The Borrower will be permitted, in certain circumstances, to incur additional debt, which may adversely impact the repayment of the Series 2026 Bonds. Subject to the restrictions set forth in the Indenture and the Collateral Security Agreement, the Indenture permits the Issuer to, upon request of the Borrower, issue Additional Parity Bonds. Any Additional Parity Bonds would be payable from the Trust Estate on a pari passu basis with the Series 2026 Bonds and would share on an equal basis in the Collateral, including certain termination compensation payable. Therefore, to the extent that the Borrower's revenues are insufficient to make payments on all of the Borrower's outstanding debt, such insufficiency may negatively impact the payment of the principal of, premium, if any, the Make-Whole Redemption Price and interest on the Series 2026 Bonds. Furthermore, if Additional Parity Bonds are issued, during any foreclosure action with respect to the Collateral or in the case of an early termination of the ERPA, Owners of the Series 2026 Bonds will be required to share the proceeds of the Collateral or any termination compensation payable to the Borrower, as applicable, with a larger group of holders, proportionally reducing any claim that the Owners of the Series 2026 Bonds may have to such proceeds or the relevant termination compensation.

Rating of Bonds

Moody's Investor Services ("Moody's") has assigned a credit rating to the Series 2026 Bonds. The rating of the Series 2026 Bonds is not a recommendation to purchase, hold or sell the Series 2026 Bonds, and the rating does not comment on the market price or suitability of the Series 2026 Bonds for a particular investor. The rating of the Series 2026 Bonds may not remain for any given period of time and may be lowered or withdrawn depending on, among other things, the rating agency's assessment of the Borrower's and/or South County Health's financial strength.

Uncertainties of Forecasts and Assumptions

The information in this Official Statement includes certain assumptions, forecasts and projections. While the Borrower believes such projections are reasonable, inclusion of the prospective financial information in APPENDIX A should not be regarded as a representation by the Borrower, the Underwriter, South County Health, Optimum or any other person that the results contained in the financial projections will be achieved. In addition, certain assumptions with respect to future business and financing decisions are subject to change. No representation is made or intended, nor should any representation be inferred, with respect to the likely existence of any particular future set of facts or circumstances, and prospective purchasers of the Series 2026 Bonds are cautioned not to place undue reliance upon the projections contained in this Official Statement or upon requirements for future projections. If actual results are less favorable than the results projected or if the assumptions used in preparing the projections prove to be incorrect, the Borrower's ability to operate the Energy Assets, the Borrower's ability to make timely payment of amounts due under the Loan Agreement, and the Issuer' ability to make timely payment of the principal and interest on the Series 2026 Bonds may be materially and adversely affected.

Market Liquidity

The Series 2026 Bonds constitute a new issue with no established trading market. The Underwriter is not obligated to make a market for the Series 2026 Bonds and may discontinue any such market-making at any time without prior notice. No assurance can be given as to the development or liquidity of any market for the Series 2026 Bonds. If an active public market does not develop, the market price and liquidity of the Series 2026 Bonds may be adversely affected.

Trade Policies and Geopolitical Risk

The current economic environment is subject to significant uncertainty in part due to the recent implementation of various economic policy initiatives by the Trump administration, heightened geopolitical tensions, and ongoing shifts in the global trade landscape. Since taking office in January 2025, President Trump has announced, revised, paused and enacted various tariffs that have had far-reaching economic impacts on the global financial markets. Increased tariffs and revised trade policies may increase construction costs and operating expenses, particularly the costs of supplies and equipment, and could disrupt the supply chain necessary for facility improvements and operations. More generally, continued widespread tariff implementation may negatively affect consumer confidence, may result in reduced discretionary income, and may ultimately lead to an economic recession. The long-term impact of such polices cannot be predicted; however, they may adversely affect (i) the ability to acquire, install and operate the Energy Services Equipment, the Borrower's ability to make timely payment of amounts due under the Loan Agreement, and the Issuer's ability to make timely payment of the principal and interest on the Series

2026 Bonds, and (ii) South County Health's operations and financial performance in various ways, including, but not limited to a disruption in the production or supply of pharmaceuticals, medical supplies and equipment, significant increases in the costs of such products, and reduced patient volumes or revenues resulting from broader economic pressures.

These trade policy developments have been accompanied by broader geopolitical instability. Heightened tensions between the United States and China, including retaliatory tariffs, restrictions on rare earth mineral exports and ongoing disputes over technology and trade, have contributed to a significant reduction in bilateral trade between the two countries. Retaliatory measures by United States trading partners, supply chain disruptions and financial market volatility, including periods of depreciation of the United States dollar and periodic repricing of risk across asset classes, have further contributed to economic uncertainty. Global stability continues to grow more uncertain following the February 28, 2026, military strikes launched by the United States and Israel and continued military activity between the United States and Iran. The conflict has and may continue to disrupt oil supply and prices, global shipping, disturb trade routes and supply chains, and reduce global output. Increased energy prices may create higher inflation, slower growth, and higher unemployment in the United States and globally.

Risks Relating to Tax Matters

General. The Indenture, the Loan Agreement and the Tax Agreement contain various covenants and agreements on the part of the Issuer, the Borrower, MHF and South County Health that are intended to establish and maintain the excludability of interest on the Series 2026A Bonds from gross income for federal income tax purposes. A failure by the Issuer, the Borrower, MHF or South County Health to comply with such covenants and agreements, including their respective remediation obligations could, directly or indirectly, cause the interest on the Series 2026A Bonds to be included in the gross income of the Owners thereof for federal income tax purposes retroactively to the date of issuance of the Series 2026A Bonds. See "TAX MATTERS." From time to time, there are legislative proposals suggested, debated, introduced or pending in Congress or in the state legislatures, as applicable, that, if enacted into law, could alter or amend one or more of the federal tax matters or state tax matters, respectively, described under "TAX MATTERS," including, without limitation, the excludability from gross income of interest on the Series 2026A Bonds, adversely affect the market price or marketability of the Series 2026A Bonds, or otherwise prevent the holders from realizing the full current benefit of the status of the interest thereon. It cannot be predicted whether or in what form any such proposal may be enacted, or whether, if enacted, any such proposal would affect the Series 2026A Bonds. Prospective purchasers of the Series 2026A Bonds should consult their tax advisors as to the impact of any proposed or pending legislation, regulatory initiatives or litigation.

Federal Tax Status. The IRS has determined that each of South County Health, certain Additional Users (as defined herein) and MHF is an organization described in Section 501(c)(3) of the Code and therefore exempt from federal income taxation under Section 501(a) of the Code. The Borrower is disregarded as an entity separate from MHF for federal income tax purposes. Certain affiliates of South County Health are disregarded as entities separate from South County Health ("Additional Users") for federal income tax purposes. Changes in the Code or Treasury Regulations or the judicial or administrative interpretation thereof or certain actions of South County Health, an Additional User or MHF, as applicable, could result in the revocation by the IRS of such determination and loss of the tax-exempt status of South County Health, an Additional User or MHF. Any failure by South County Health, an Additional User or MHF to remain qualified as tax-exempt under Section 501(c)(3) of the Code or failure by South County Health, an Additional User, MHF or the Borrower to continuously comply with certain covenants contained in the Indenture, the Loan Agreement and the Tax Agreement after delivery of the Series 2026A Bonds could result in the loss of the exclusion from gross income of interest on the Series 2026A Bonds by the Owners thereof for federal income tax purposes.

Extraordinary Mandatory Redemption

In certain circumstances the Series 2026 Bonds may be subject to extraordinary mandatory redemption, which may result in redemption of the Series 2026A Bonds at the Amortized Redemption Price. See "THE SERIES 2026 BONDS – Redemption of Series 2026 Bonds Prior to Maturity – *Extraordinary Mandatory Redemption*" herein.

LITIGATION

The Issuer

To the knowledge of the Issuer, there is no material litigation pending or threatened against the Issuer concerning the validity of the Series 2026 Bonds or any proceedings of the Issuer taken with respect to the issuance thereof.

The Borrower

There is not now pending (as to which the Borrower has received service of process), nor, to the actual knowledge of the Borrower, threatened any litigation against the Borrower seeking to restrain or enjoin the issuance or delivery of the Series 2026 Bonds or questioning or challenging the creation, organization or existence of the Borrower, the title of any of the present members or other officers of the Borrower, the validity of the Series 2026 Bonds or the proceedings or authority under which they are to be issued, or the Material Contracts. There is no litigation pending (as to which the Borrower has received service of process) or, to the actual knowledge of the Borrower, threatened against the Borrower which in any manner questions the right of the Borrower to enter into the Indenture or the Loan Agreement or to take any other action provided in the Indenture, the Loan Agreement or the resolutions of the Borrower.

From time to time, the Borrower, the Project, including the Energy Projects, and the proposed issuance of the Series 2026 Bonds may be involved in or subject to claims, litigation or other proceedings. Although the Borrower reasonably expects that these potential claims would be without merit and intends to defend any such claims vigorously, if any of the plaintiffs were to prevail on such claims by a final, non-appealable judgment, it could have a material adverse effect on the Borrower, its ability to complete the Energy Projects in a timely manner or at all or on an investment in the Series 2026 Bonds.

In the course of the operation of the Energy Projects, the Borrower may be subject to claims as result of any accidents or other incidents that may occur in connection with the Energy Projects. Risks associated with legal liability are often difficult to assess or quantify and their existence and magnitude may not be known for significant periods of time. While the Borrower is named as an additional insured on insurance policies held by Optimum that the Borrower reasonably expects are appropriate for purposes of the operation of the Energy Projects, the amount of insurance coverage may not cover, or be sufficient to cover, individually or in the aggregate, any pending, threatened or potential future claims involving, or related to, the Energy Projects or the operation thereof.

Any future claims or proceedings may require or cause the Borrower to expend substantial time and resources and the Energy Projects and the Borrower's business, financial condition, operating results, cash flows, liquidity and prospects could be materially adversely affected.

CONTINUING DISCLOSURE OF INFORMATION

The Issuer

Because the Series 2026 Bonds are limited obligations of the Issuer, payable solely from the Trust Estate described in the Indenture, the Issuer has determined that no financial or operating data concerning the Issuer is material to an evaluation of the offering of the Series 2026 Bonds or to any decision to purchase, hold or sell the Series 2026 Bonds and the Issuer will not provide any such information. The Issuer shall have no liability to the holders of the Series 2026 Bonds or any other person with respect to Securities and Exchange Commission Rule 15c2-12 (17 C.F.R. Part 240, § 240.15c2-12) ("Rule 15c2-12") promulgated by the Securities and Exchange Commission.

The Borrower

Pursuant to the requirements of Rule 15c2-12, the Borrower will agree in a Continuing Disclosure Certificate, dated as of September 1, 2026 (the "Borrower Continuing Disclosure Agreement"), to provide certain financial information, other operating data and notices of enumerated events for the benefit of the Owners of the Series 2026 Bonds. A form of the Borrower Continuing Disclosure Agreement is attached hereto as APPENDIX I-1. A failure by the Borrower to comply with the requirements of the Borrower Continuing Disclosure Agreement does not in and of itself constitute an Event of Default under the Indenture or the Loan Agreement. Nevertheless, such a failure must be reported, pursuant to the Borrower Continuing Disclosure Agreement, in accordance with Rule 15c2-12 and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Series 2026 Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Series 2026 Bonds and their market price. The Borrower has not previously entered into any continuing disclosure agreements pursuant to Rule 15c2-12.

South County Health

Pursuant to Rule 15c2-12, South County Health will agree in a Continuing Disclosure Certificate, dated as of September 1, 2026 (the "South County Health Continuing Disclosure Agreement"), to provide certain financial information, other operating data and notices of enumerated events for the benefit of the Owners of the Series 2026 Bonds. A form of South County Health Continuing Disclosure Agreement is attached hereto as APPENDIX I-2.

South County Health has not been subject to any continuing disclosure undertakings or obligations pursuant to Rule 15c2-12during the five years prior to the date hereof.

TAX MATTERS

In the opinion of Orrick, Herrington & Sutcliffe LLP, Special Transaction Counsel to Optimum ("Special Transaction Counsel"), based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Series 2026A Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Code. Special Transaction Counsel is of the further opinion that interest on the Series 2026A Bonds is not a specific preference item for purposes of the federal individual alternative minimum tax. Special Transaction Counsel observes that interest on the Series 2026A Bonds included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. Special Transaction Counsel observes that interest on the Series 2026B Taxable Bonds is not excluded from gross income for federal income tax purposes pursuant to Section 103 of the Code. Special Transaction Counsel is also of the opinion that interest on the Series 2026 Bonds and any profit made on the sale thereof are exempt from taxation by the State of Rhode Island or any political subdivision or other instrumentality thereof. Special Transaction Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Series 2026 Bonds. A complete copy of the proposed form of the opinion of Special Transaction Counsel is set forth in Appendix J hereto.

Series 2026A Bonds

To the extent the issue price of any maturity of the Series 2026A Bonds is less than the amount to be paid at maturity of such Series 2026A Bonds (excluding amounts stated to be interest and payable at least annually over the term of such Series 2026A Bonds), the difference constitutes "original issue discount," the accrual of which, to the extent properly allocable to each Beneficial Owner thereof, is treated as interest on the Series 2026A Bonds which is excluded from gross income for federal income tax purposes. For this purpose, the issue price of a particular maturity of the Series 2026A Bonds is the first price at which a substantial amount of such maturity of the Series 2026A Bonds is sold to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The original issue discount with respect to any maturity of the Series 2026A Bonds accrues daily over the term to maturity of such Series 2026A Bonds on the basis of a constant interest rate compounded semiannually (with straight-line interpolations between compounding dates). The accruing original issue discount is added to the adjusted basis of such Series 2026A Bonds to determine taxable gain or loss upon trade or business disposition (including sale, redemption, or payment on maturity) of such Series 2026A Bonds. Beneficial Owners of the Series 2026A Bonds should consult their own tax advisors with respect to the tax consequences of ownership of Series 2026A Bonds with original issue discount, including the treatment of Beneficial Owners who do not purchase such Series 2026A Bonds in the original offering to the public at the first price at which a substantial amount of such Series 2026A Bonds is sold to the public.

Series 2026A Bonds purchased, whether at original issuance or otherwise, for an amount higher than their principal amount payable at maturity (or, in some cases, at their earlier call date) ("Premium Bonds") will be treated as having amortizable bond premium. No deduction is allowable for the amortizable bond premium in the case of bonds, like the Premium Bonds, the interest on which is excluded from gross income for federal income tax purposes. However, the amount of tax-exempt interest received, and a Beneficial Owner's basis in a Premium Bond, will be reduced by the amount of amortizable bond premium properly allocable to such Beneficial Owner. Beneficial Owners of Premium Bonds should consult their own tax advisors with respect to the proper treatment of amortizable bond premium in their particular circumstances.

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Series 2026A Bonds. The Issuer, the Borrower, and South County Health have made certain representations and covenanted to comply with certain restrictions, conditions and requirements designed to ensure that interest on the Series 2026A Bonds will not be included in federal gross income. Inaccuracy of these representations or failure to comply with these covenants may result in interest on the Series 2026A Bonds being included in gross income for federal income tax purposes, possibly from the date of original issuance of the Series 2026A Bonds. The opinion of Special Transaction Counsel assumes the accuracy of these representations and compliance with these covenants. Special Transaction Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken), or events occurring (or not occurring), or any other matters coming to Special Transaction Counsel's attention after the date of issuance of the Series 2026A Bonds may adversely affect the value of, or the tax status of interest on, the Series 2026A Bonds. Accordingly, the opinion of Special Transaction Counsel is not intended to, and may not, be relied upon in connection with any such actions, events or matters.

In addition, Special Transaction Counsel has assumed the correctness of the opinion of (i) Hawkins, Delafield & Wood, LLP, counsel to the Borrower and MHF, regarding the current qualification of MHF as an organization described in Section 501(c)(3) of the Code and the status of the Borrower as a disregarded entity of MHF for federal income tax purposes and the application of the Series 2026 Bond proceeds as described in the Financing Documents as being in furtherance of MHF's charitable purpose under Section 513(a) of the Code, and (ii) Nixon Peabody LLP, counsel to South County Health, regarding the current qualification of South County Health as an organization described in Section 501(c)(3) of the Code and the status of Ocean View as a disregarded entity of South County Health for federal income tax purposes. Such opinion is subject to a number of qualifications and limitations. Special Transaction Counsel has also assumed the correctness of representations of South County Health concerning the "unrelated trade or business" activities of South County Health as defined in Section 513(a) of the Code. Neither Special Transaction Counsel nor counsel to South County Health have given any opinion or assurance concerning Section 513(a) of the Code with respect to South County Health, and neither Special Transaction Counsel nor counsel to MHF and the Borrower or South County Health can, give or has given any opinion or assurance about the future activities of the Borrower, MHF, South County Health, or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or the resulting changes in enforcement thereof by the IRS. Failure of MHF or South County Health to be organized and operated in accordance with the IRS's requirements for the maintenance of their status as organizations described in Section 501(c)(3) of the Code or to operate the facilities financed by the Series 2026A Bonds in a manner that is substantially related to the charitable purposes of MHF or South County Health under Section 513(a) of the Code may result in interest payable with respect to the Series 2026A Bonds being included in federal gross income, possibly from the date of the original issuance of the Series 2026A Bonds.

Although Special Transaction Counsel is of the opinion that interest on the Series 2026A Bonds is excluded from gross income for federal income tax purposes, the ownership or disposition of, or the accrual or receipt of amounts treated as interest on, the Series 2026A Bonds may otherwise affect a Beneficial Owner's federal, state or local tax liability. The nature and extent of these other tax consequences depends upon the particular tax status of the Beneficial Owner or the Beneficial Owner's other items of income or deduction. Special Transaction Counsel expresses no opinion regarding any such other tax consequences.

Current and future federal or state legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Series 2026A Bonds to be subject, directly or indirectly, in whole or in part, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent Beneficial Owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislative proposals or clarification of the Code or court decisions may also affect, perhaps significantly, the market price for, or marketability of, the Series 2026A Bonds. Prospective purchasers of the Series 2026A Bonds should consult their own tax advisors regarding the potential impact of any pending or proposed federal or state tax legislation, regulations or litigation, as to which Special Transaction Counsel expresses no opinion.

The opinion of Special Transaction Counsel is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Special Transaction Counsel's judgment as to the proper treatment of the Series 2026A Bonds for federal income tax purposes. It is not binding on the IRS or the courts. Furthermore, Special Transaction Counsel cannot give and has not given any opinion or assurance about the future activities of the Issuer, the Borrower, MHF, or South County Health, or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the IRS. The Issuer, the Borrower, MHF and South County Health have covenanted, however, to comply with the requirements of the Code.

Special Transaction Counsel's engagement with respect to the Series 2026A Bonds ends with the issuance of the Series 2026A Bonds, and, unless separately engaged, Special Transaction Counsel is not obligated to defend the Issuer, the Borrower, MHF or the Beneficial Owners regarding the tax-exempt status of the Series 2026A Bonds in the event of an audit examination by the IRS. Under current procedures, Beneficial Owners would have little, if any, right to participate in the audit examination process. Moreover, because achieving judicial review in connection with an audit examination of tax-exempt bonds is difficult, obtaining an independent review of IRS positions with which the Issuer, the Borrower or MHF legitimately disagree, may not be practicable. Any action of the IRS, including but not limited to selection of the Series 2026A Bonds for audit, or the course or result of such audit, or an audit of bonds presenting similar tax issues may affect the market price for, or the marketability of, the Series 2026A Bonds, and may cause the Issuer, the Borrower or MHF or the Beneficial Owners to incur significant expense.

Payments on the Series 2026A Bonds generally will be subject to U.S. information reporting and possibly to "backup withholding." Under Section 3406 of the Code and applicable U.S. Treasury Regulations issued thereunder, a non-corporate Beneficial Owner of Bonds may be subject to backup withholding with respect to "reportable payments," which include interest paid on the Series 2026A Bonds and the gross proceeds of a sale, exchange, redemption, retirement or other disposition of the Series 2026A Bonds. The payor will be required to deduct and withhold the prescribed amounts if (i) the payee fails to furnish a U.S. taxpayer identification number ("TIN") to the payor in the manner required, (ii) the IRS notifies the payor that the TIN furnished by the payee is incorrect, (iii) there has been a "notified payee underreporting" described in Section 3406(c) of the Code or (iv) the payee fails to certify under penalty of perjury that the payee is not subject to withholding under Section 3406(a)(1)(C) of the Code. Amounts withheld under the backup withholding rules may be refunded or credited against a Beneficial Owner's federal income tax liability, if any, provided that the required information is timely furnished to the IRS. Certain Beneficial Owners (including among others, corporations and certain tax-exempt organizations) are not subject to backup withholding. The failure to comply with the backup withholding rules may result in the imposition of penalties by the IRS.

Series 2026B Taxable Bonds

The following discussion summarizes certain U.S. federal income tax considerations generally applicable to U.S. Holders (as defined below) of the Series 2026B Taxable Bonds that acquire their Series 2026B Taxable Bonds in the initial offering. The discussion below is based upon laws, regulations, rulings, and decisions in effect and available on the date hereof, all of which are subject to change, possibly with retroactive effect. Prospective investors should note that no rulings have been or are expected to be sought from the IRS with respect to any of the U.S. federal income tax considerations discussed below, and no assurance can be given that the IRS will not take contrary positions. Further, the following discussion does not deal with U.S. tax consequences applicable to any given investor, nor does it address the U.S. tax considerations applicable to all categories of investors, some of which may be subject to special taxing rules (regardless of whether or not such investors constitute U.S. Holders), such as certain U.S. expatriates, banks, REITs, RICs, insurance companies, tax-exempt organizations, dealers or traders in securities or currencies, partnerships, S corporations, estates and trusts, investors that hold their Series 2026B Taxable Bonds as part of a hedge, straddle or an integrated or conversion transaction, investors whose "functional currency" is not the U.S. dollar, or certain taxpayers that are required to prepare certified financial statements or file financial statements with certain regulatory or governmental agencies. Furthermore, it does not address (i) alternative minimum tax consequences, (ii) the net investment income tax imposed under Section 1411 of the Code, or (iii) the indirect effects on persons who hold equity interests in a holder. This summary also does not consider the taxation of the Series 2026B Taxable Bonds under state, local or non-U.S. tax laws. In addition, this summary generally is limited to U.S. tax considerations applicable to investors that acquire their Series 2026B Taxable Bonds pursuant to this offering for the issue price that is applicable to such Series 2026B Taxable Bonds (i.e., the price at which a substantial amount of the Series

2026B Taxable Bonds are sold to the public) and who will hold their Series 2026B Taxable Bonds as "capital assets" within the meaning of Section 1221 of the Code. The following discussion does not address tax considerations applicable to any investors in the Series 2026B Taxable Bonds other than investors that are U.S. Holders.

As used herein, "U.S. Holder" means a beneficial owner of a Series 2026B Taxable Bond that for U.S. federal income tax purposes is an individual citizen or resident of the United States, a corporation or other entity taxable as a corporation created or organized in or under the laws of the United States or any state thereof (including the District of Columbia), an estate the income of which is subject to U.S. federal income taxation regardless of its source or a trust where a court within the United States is able to exercise primary supervision over the administration of the trust and one or more United States persons (as defined in the Code) have the authority to control all substantial decisions of the trust (or a trust that has made a valid election under U.S. Treasury Regulations to be treated as a domestic trust). If a partnership holds Series 2026B Taxable Bonds, the tax treatment of such partnership or a partner in such partnership generally will depend upon the status of the partner and upon the activities of the partnership. Partnerships holding Series 2026B Taxable Bonds, and partners in such partnerships, should consult their own tax advisors regarding the tax consequences of an investment in the Series 2026B Taxable Bonds (including their status as U.S. Holders).

Prospective investors should consult their own tax advisors in determining the U.S. federal, state, local or non-U.S. tax consequences to them from the purchase, ownership and disposition of the Series 2026B Taxable Bonds in light of their particular circumstances.

U.S. Holders of Taxable Bonds

Interest. Interest on the Series 2026B Taxable Bonds generally will be taxable to a U.S. Holder as ordinary interest income at the time such amounts are accrued or received, in accordance with the U.S. Holder's method of accounting for U.S. federal income tax purposes.

To the extent that the issue price of any maturity of the Series 2026B Taxable Bonds is less than the amount to be paid at maturity of such Series 2026B Taxable Bonds (excluding amounts stated to be interest and payable at least annually over the term of such Series 2026B Taxable Bonds) by more than a de minimis amount, the difference may constitute original issue discount ("OID"). U.S. Holders of Series 2026B Taxable Bonds will be required to include OID in income for U.S. federal income tax purposes as it accrues, in accordance with a constant yield method based on a compounding of interest (which may be before the receipt of cash payments attributable to such income). Under this method, U.S. Holders generally will be required to include in income increasingly greater amounts of OID in successive accrual periods.

Series 2026B Taxable Bonds purchased for an amount in excess of the principal amount payable at maturity (or, in some cases, at their earlier call date) will be treated as issued at a premium. A U.S. Holder of a Series 2026B Taxable Bond issued at a premium may make an election, applicable to all debt securities purchased at a premium by such U.S. Holder, to amortize such premium, using a constant yield method over the term of such Series 2026B Taxable Bond.

Sale or Other Taxable Disposition of the Series 2026B Taxable Bonds. Unless a nonrecognition provision of the Code applies, the sale, exchange, redemption, retirement (including pursuant to an offer by the Issuer) or other disposition of a Series 2026B Taxable Bond will be a taxable event for U.S. federal income tax purposes. In such event, in general, a U.S. Holder of a Series 2026B Taxable Bond will recognize gain or loss equal to the difference between (i) the amount of cash plus the fair market value of property received (except to the extent attributable to accrued but unpaid interest on the Series 2026B Taxable Bond, which will be taxed in the manner described above) and (ii) the U.S. Holder's adjusted U.S.

federal income tax basis in the Series 2026B Taxable Bond (generally, the purchase price paid by the U.S. Holder for the Series 2026B Taxable Bond, decreased by any amortized premium, and increased by the amount of any OID previously included in income by such U.S. Holder with respect to such Series 2026B Taxable Bond). Any such gain or loss generally will be capital gain or loss. In the case of a non-corporate U.S. Holder of the Series 2026B Taxable Bonds, the maximum marginal U.S. federal income tax rate applicable to any such gain will be lower than the maximum marginal U.S. federal income tax rate applicable to ordinary income if such U.S. holder's holding period for the Series 2026B Taxable Bonds exceeds one year. The deductibility of capital losses is subject to limitations.

Defeasance of the Series 2026B Taxable Bonds. If the Issuer defeases any Series 2026B Taxable Bond, the Series 2026B Taxable Bond may be deemed to be retired and "reissued" for U.S. federal income tax purposes as a result of the defeasance. In that event, in general, a holder will recognize taxable gain or loss equal to the difference between (i) the amount realized from the deemed sale, exchange or retirement (less any accrued qualified stated interest which will be taxable as such) and (ii) the holder's adjusted U.S. federal income tax basis in the Series 2026B Taxable Bond.

Information Reporting and Backup Withholding. Payments on the Series 2026B Taxable Bonds generally will be subject to U.S. information reporting and possibly to "backup withholding." Under Section 3406 of the Code and applicable U.S. Treasury Regulations issued thereunder, a non-corporate U.S. Holder of the Series 2026B Taxable Bonds may be subject to backup withholding at the current rate of 24% with respect to "reportable payments," which include interest paid on the Series 2026B Taxable Bonds and the gross proceeds of a sale, exchange, redemption, retirement or other disposition of the Series 2026B Taxable Bonds. The payor will be required to deduct and withhold the prescribed amounts if (i) the payee fails to furnish a TIN to the payor in the manner required, (ii) the IRS notifies the payor that the TIN furnished by the payee is incorrect, (iii) there has been a "notified payee underreporting" described in Section 3406(c) of the Code or (iv) the payee fails to certify under penalty of perjury that the payee is not subject to withholding under Section 3406(a)(1)(C) of the Code. Amounts withheld under the backup withholding rules may be refunded or credited against the U.S. Holder's federal income tax liability, if any, provided that the required information is timely furnished to the IRS. Certain U.S. holders (including among others, corporations and certain tax-exempt organizations) are not subject to backup withholding. A holder's failure to comply with the backup withholding rules may result in the imposition of penalties by the IRS.

Foreign Account Tax Compliance Act ("FATCA")

Sections 1471 through 1474 of the Code impose a 30% withholding tax on certain types of payments made to foreign financial institutions, unless the foreign financial institution enters into an agreement with the U.S. Treasury to, among other things, undertake to identify accounts held by certain U.S. persons or U.S.-owned entities, annually report certain information about such accounts, and withhold 30% on payments to account holders whose actions prevent it from complying with these and other reporting requirements, or unless the foreign financial institution is otherwise exempt from those requirements. In addition, FATCA imposes a 30% withholding tax on the same types of payments to a non-financial foreign entity unless the entity certifies that it does not have any substantial U.S. owners or the entity furnishes identifying information regarding each substantial U.S. owner. Under current guidance, failure to comply with the additional certification, information reporting and other specified requirements imposed under FATCA could result in the 30% withholding tax being imposed on payments of interest on the Series 2026B Taxable Bonds. In general, withholding under FATCA currently applies to payments of U.S. source interest (including OID) and, under current guidance, will apply to certain "passthru" payments no earlier than the date that is two years after publication of final U.S. Treasury Regulations defining the term "foreign passthru payments." Prospective investors should consult their own tax advisors regarding FATCA and its effect on them.

The foregoing summary is included herein for general information only and does not discuss all aspects of U.S. federal taxation that may be relevant to a particular holder of Series 2026B Taxable Bonds in light of the holder's particular circumstances and income tax situation. Prospective investors are urged to consult their own tax advisors as to any tax consequences to them from the purchase, ownership and disposition of Series 2026B Taxable Bonds, including the application and effect of state, local, non-U.S., and other tax laws.

LEGAL MATTERS

The various legal opinions to be delivered concurrently with the delivery of the Series 2026 Bonds express the professional judgment of the attorneys rendering the opinions as to the legal issues explicitly addressed therein. In rendering a legal opinion, the attorney does not become an insurer or guarantor of the expression of professional judgment, of the transaction opined upon, or of the future performance of the parties to the transaction, nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

The validity of the Series 2026 Bonds and certain other legal matters are subject to the approving opinion of Orrick, Herrington & Sutcliffe LLP, Special Transaction Counsel to Optimum. The proposed form of the approving opinion of Special Transaction Counsel is set forth in Appendix J hereto. Hinckley, Allen & Snyder is serving as bond counsel solely to the Issuer ("RIHEBC Bond Counsel") and is not rendering any opinions with respect to the Series 2026 Bonds or the transactions contemplated by this Official Statement. Neither RIHEBC Bond Counsel nor Special Transaction Counsel undertakes any responsibility for the accuracy, completeness or fairness of this Official Statement. Certain legal matters will be passed upon for the Issuer, by its counsel, Savage Law Partners, LLP; for the Borrower and MHF by their counsel, Hawkins, Delafield & Wood, LLP and Adler Pollock & Sheehan P.C.; for Optimum, by its counsel, Orrick, Herrington & Sutcliffe LLP; for South County Health, by its counsel, Nixon Peabody LLP; for the Underwriter by its counsel, Jones Walker LLP; and by the Trustee and Collateral Agent by its counsel, Foley & Judell, L.L.P.

RATING

Moody's has assigned a rating of "Baa3" (stable outlook) to the Series 2026 Bonds and has assigned an issuer rating of Baa3 (stable outlook) to South County Health. This rating reflects the views of Moody's. The Borrower and South County Health have furnished Moody's with certain materials and information not included in this Official Statement. Prospective purchasers of the Series 2026 Bonds should contact Moody's to obtain an explanation of the significance of its rating.

No assurance may be given that the Moody's rating will remain in effect for any given period of time. Moody's may lower, suspend or withdraw its rating. The Underwriter is not obligated to notify prospective purchasers of the Series 2026 Bonds if Moody's lowers, suspends or withdraws its rating. If Moody's lowers, suspends or withdraws its rating, the market price of the Series 2026 Bonds could be adversely affected.

UNDERWRITING

Subject to the terms and conditions set forth in a bond purchase agreement, among the Underwriter, the Issuer, and the Borrower, the Underwriter will agree to purchase the Series 2026 Bonds at an aggregate purchase price of $________, representing the aggregate principal amount of the Series 2026 Bonds of $________, plus(less) a net original issue premium(discount) of $_______, and less an underwriter's discount of $________. The expenses associated with the issuance of the Series 2026 Bonds are being paid by the Borrower from proceeds of the Series 2026 Bonds and other available funds. The right of the

Underwriter to receive compensation in connection with the Series 2026 Bonds is contingent upon the actual sale and delivery of the Series 2026 Bonds. The Underwriter will initially offer the Series 2026 Bonds for sale at the respective prices or yields set forth on the inside cover pages of this Official Statement. Such prices or yields may subsequently change in connection with the marketing of the Series 2026 Bonds. The Underwriter may offer and sell the Series 2026 Bonds to certain dealers (including dealers depositing the Series 2026 Bonds into investment trusts) and others at prices lower than the initial public offering price or prices set forth in this Official Statement. The Underwriter reserves the right to join with dealers and other investment banking firms in offering the Series 2026 Bonds for sale.

The Underwriter and its respective affiliates are full service financial institutions engaged in various activities, which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. Under certain circumstances, the Underwriter and its respective affiliates may have certain creditor and/or other rights against the Issuer and the Borrower and its affiliates in connection with such activities. In the various course of their various business activities, the Underwriter and its respective affiliates, officers, directors and employees may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of the Issuer and the Borrower (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the Issuer and the Borrower. The Underwriter and its respective affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

MISCELLANEOUS

Registration of Bonds

Registration or qualification of the offer and sale of the Series 2026 Bonds (as distinguished from registration of the ownership of the Series 2026 Bonds) is not required under the Securities Act or the Act. The Issuer assumes no responsibility for the qualification or registration of the Series 2026 Bonds for sale under the securities laws of any jurisdiction in which the Series 2026 Bonds may be sold, assigned, pledged, hypothecated or otherwise transferred.

Additional Information

Copies of any of the documents referenced or summarized herein will be available following the date of issuance of the Series 2026 Bonds, upon delivery of a written request, and the payment of reasonable copying, mailing and handling charges, to the Trustee.

The references, excerpts and summaries of all documents, referenced herein do not purport to be complete statements of the provisions of such documents and reference is directed to all such documents for full and complete statements of all matters of fact relating to the Series 2026 Bonds, the security for and the repayment of the Series 2026 Bonds and the rights and obligations of the holders thereof.

The Issuer has not participated in the preparation of this Official Statement and make no representation with respect to the accuracy or completeness of any of the material contained in this Official Statement other than in the section entitled "THE ISSUER," the section entitled "LITIGATION—The Issuer," and the section entitled "CONTINUING DISCLOSURE OF INFORMATION – The Issuer," relating to the Issuer. The Issuer is not responsible for providing any purchaser of the Series 2026 Bonds with any information relating to the Series 2026 Bonds or any of the parties or transactions referred to in this Official Statement or for the accuracy or completeness of any such information obtained by any purchaser. Except as otherwise stated herein, none of the Issuer or the Underwriter makes any representations or warranties whatsoever with respect to the information contained herein.

The agreements of the Issuer with the holders of the Series 2026 Bonds are fully set forth in the Indenture, and neither any advertisement of the Series 2026 Bonds nor this Official Statement is to be construed as constituting an agreement with the purchasers of the Series 2026 Bonds. So far as any statements are made in this Official Statement involving matters of opinion, whether or not expressly so stated, they are intended merely as such and not as representations of fact.

It is anticipated that CUSIP identification numbers will be printed on the Series 2026 Bonds, but neither the failure to print such numbers on any Series 2026 Bonds nor any error in the printing of such numbers shall constitute cause for a failure or refusal by the purchaser thereof to accept delivery of and pay for any Bonds.

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The preparation of this Official Statement and its distribution have been authorized by the Borrower and the Issuer. This Official Statement is not to be construed as an agreement or contract between the Issuer or the Borrower and any purchaser, owner or holder of any Series 2026 Bonds.

MADRONE – SOUTH COUNTY HOSPITAL EAAS I, LLC, a Rhode Island limited liability company

By: MADRONE HEALTH FOUNDATION, a California nonprofit public benefit corporation, its sole member

By: /s/____________________
Name:
Title:

APPENDIX A

INFORMATION CONCERNING
THE BORROWER, THE ENERGY PROJECTS AND THE MATERIAL CONTRACTS

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OVERVIEW

The Borrower

The Borrower is a Rhode Island limited liability company that was formed on May 29, 2026 for the purpose of undertaking the Projects (as defined below). The sole member of the Borrower is MHF, a California nonprofit public benefit corporation that is a tax-exempt organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"). The Borrower is disregarded as an entity separate from MHF for federal income tax purposes. The Borrower is organized and operated (i) exclusively for charitable purposes, (ii) not for pecuniary profit, and (iii) no part of the Borrower's net earnings inures to the benefit of any person, private stockholder or individual, all within the meaning of the Code.

Pursuant to the (the "Operating Agreement") of the Borrower, MHF is the sole member of the Borrower and will manage the business of the Borrower as the sole member. See "GOVERNANCE – MHF and the Board of Directors" in this APPENDIX A.

In connection with the issuance of the Series 2026 Bonds, the Borrower and MHF will enter into an Administrative Services Agreement (the "Administrative Services Agreement") pursuant to which MHF will agree to provide certain services for and on behalf of the Borrower in relating to the Project. Pursuant to the Administrative Services Agreement, the Borrower will pay an initial fee upon the issuance of the Series 2026 Bonds in the amount of $[_________] as well as a monthly fee payable on the first day of each month, commencing on the 1st day of the first full month following the issuance of the Series 2026 Bonds, in an amount equal to $[_________], escalating by 3% on each July 1. Separately, the Borrower will reimburse MHF for all out-of-pocket costs incurred by MHF in the performance of its services, including any audit fees and expenses and travel costs.

See "THE ENERGY PROJECTS AND THE MATERIAL CONTRACTS" in the forepart of this Official Statement for a description of the contracts to be entered into between the Borrower, South County Hospital Healthcare System, ("South County Health") and Optimum Energy Co, LLC, a Delaware limited liability company ("Optimum"), in connection with the Energy Projects.

South County Hospital Healthcare System

South County Health is a Rhode Island non-profit corporation that provides a broad range of both inpatient and outpatient services to the residents of, and visitors to, southern and central Rhode Island. South County Health operates the South County Hospital, an acute care hospital located in Wakefield, Rhode Island ("South County Hospital") and other related facilities. South County Health is licensed by the Rhode Island Department of Health ("DOH") to operate 100 beds, consisting of 92 medical/surgical beds and 8 intensive care beds. South County Hospital routinely staffs approximately 85 beds with the ability to flex higher with increased demand. The South County Hospital Healthcare System Endowment (the "South County Endowment"), a Rhode Island nonprofit corporation, is the sole member of South County Health and its principal purpose is to support South County Health and its affiliates.

For additional information on South County Health, see APPENDIX B – "INFORMATION CONCERNING SOUTH COUNTY HOSPITAL HEALTHCARE SYSTEM" and APPENDIX L – "AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF SOUTH COUNTY HOSPITAL HEALTHCARE SYSTEM ENDOWMENT AND AFFILIATES FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025" attached to the Official Statement.

<u>Neither South County Health nor its affiliates are liable for the payment of the principal of, premium, if any, or interest on the Series 2026 Bonds. The Series 2026 Bonds and the obligations of the Borrower under the Loan Agreement are not secured by a lien on or security interest in any assets or revenues of South County Health or its affiliates</u>. The Series 2026 Bonds are secured only as described under the caption "SECURITY AND SOURCES OF REPAYMENT OF THE SERIES 2026 BONDS" in this Official Statement.

The Energy Projects

Capitalized terms used but not defined herein shall have the meanings as defined in APPENDIX C – "DEFINITIONS OF CERTAIN TERMS UNDER THE ENERGY RESILIENCE AND PERFORMANCE AGREEMENT" to the Official Statement.

Pursuant to an Energy Resilience and Performance Agreement between South County Health and the Borrower (the "ERPA"), the Borrower will complete certain energy projects (the "Energy Projects") at South County Hospital and other related facilities located in Wakefield, Rhode Island ("South County Hospital") and owned by South County Health. The Energy Projects include the acquisition, development, construction, improvement and equipping of certain energy related improvements at specific locations at the South County Hospital (the "Project Sites"). The Energy Projects can be bifurcated into two categories: (a) those projects related to Energy Assets (as hereinafter defined); and (b) those projects related to Retained Assets (as hereinafter defined). The Energy Projects related to Energy Assets involve the improvement and optimization of the central plant, including the replacement and improvement of specific equipment such as chillers, boilers, cooling towers and other components related thereto. The Energy Projects related to the Retained Assets involve the replacement, repair, and optimization of specific equipment and other assets to be operated by South County Health, but maintained by Borrower, to reduce South County Health's energy consumption and improve its energy resiliency.

Pursuant to the ERPA, the Borrower will provide South County Health with concession compensation, which includes the in-kind Energy Assets Improvements (as hereinafter defined) and an upfront "Concession Fee" payment to South County Health. The Concession Fee will be used to pay for the costs of the Retained Assets Improvements (as hereinafter defined) and to pay for the redemption or prepayment of Existing South County Indebtedness with South County Health retaining the remainder to pay for a new electronic medical records system, as described further in Appendix B.

Energy Assets

The "Energy Assets" are identified in the ERPA as those assets that are directly connected to the central plant equipment producing Thermal Energy through heating, cooling or steam, such as boilers, chillers, cooling towers and other components necessary for the operation of that equipment. Under the ERPA, South County Health grants the Borrower, for the term of the ERPA, the exclusive right to access and utilize certain Energy Assets identified in the ERPA. Upon the execution of the ERPA, the Borrower, through Optimum pursuant to the Project Implementation Agreement, will perform design and construction work to make energy and optimization improvements to the Energy Assets (the "Energy Assets Improvements"). The costs of the Energy Assets Improvements will be paid from the Energy Assets Project Fund under the Indenture (the "Energy Assets Project Fund") with proceeds from the Series 2026 Bonds, and the Borrower will be responsible for any costs exceeding amounts in the Energy Assets Project Fund absent a Relief Event. After completion of the initial Energy Assets Improvements, the Borrower will continue to be responsible for the operations and maintenance of the Energy Assets and will ensure that the Energy Assets supply South County Health with all of their required chilled water and steam for cooling and conditioning (the "Thermal

Energy") in accordance with the performance standards required by the ERPA (the capacity, including redundancies, required for such supply, the "Energy Assets Capacity Requirements"). The Borrower is also responsible for the full term of the ERPA, absent a Relief Event, for the costs associated with any major repairs or replacements of the Energy Assets necessary to ensure their performance meets the standards provided in the ERPA.

In exchange for making available the Thermal Energy to meet the Energy Assets Capacity Requirements (the "Energy Services"), South County Health will pay the Borrower a monthly capacity charge (the "Capacity Charge" or "Monthly Capacity Charge"). Additionally, South County Health must pay the Borrower another monthly charge (the "Maintenance Charge" or "Monthly Maintenance Charge") for (a) the performance of all operation and maintenance work necessary to operate and maintain the Energy Assets in accordance with the ERPA and (b) the obligations performed by the Borrower in connection with the Energy Services, such as management, oversight, administrative, accounting, reporting, compliance, insurance administration, and program management services. The ERPA also grants the Borrower the right to market and sell any excess capacity beyond South County Health's Energy Assets Capacity Requirements generated by the Energy Assets to third-party offtakers.

Retained Assets

The "Retained Assets" comprise specific equipment and components that will optimize and reduce South County Health's energy consumption which is in contrast to the Energy Assets which are focused on producing Thermal Energy.

These "Retained Assets Improvements" generally include downstream HVAC distribution equipment such as air-handling units, rooftop units, exhaust fans, terminal heat exchangers and circulation pumps. Unlike the Energy Assets, South County Health will retain operational and life-cycle replacement risk on the Retained Assets. The Borrower will be responsible for preventative maintenance, inspections, monitoring, remote engineering support, and other similar services on the Retained Assets (the "Retained Assets Services" and, together with the Energy Services, the "Services"). In exchange for the Retained Assets Services, South County Health will pay a monthly Retained Assets Services Charge (as hereinafter defined) to the Borrower.

Improvements (as hereinafter defined) are expected to generate utility cost savings over the term and are expected to reduce energy consumption by South County Health. Pursuant to the material documents, South County Health is able to transfer to the Borrower a portion of the operational and financial risk of providing Thermal Energy to South County Hospital while securing stability to future plant operations.

GOVERNANCE

Madrone Health Foundation and the Board of Directors

MHF was formed in 2026 for the charitable purpose of assisting tax-exempt hospitals, tax-exempt medical research organizations, tax-exempt private colleges and universities, tax-exempt private or charter elementary and secondary schools, and other tax-exempt healthcare- and education-related organizations throughout the United States in acquiring, developing, constructing, maintaining, managing and operating facilities, including healthcare and educational facilities.

Pursuant to the Operating Agreement, the business affairs of the Borrower are governed by MHF, as the sole member. MHF has full, exclusive and complete discretion to manage and control the business and affairs of the Borrower, to make all decisions affecting the business and affairs of the Borrower, and to take all such actions as MHF deems necessary or appropriate to accomplish the purposes of the Borrower.

The current directors of MHF, their offices, if any, and their occupations are as follows:

BOARD OF DIRECTORS

Name and Office	Occupation
Richard Nicholas Waugh, President	CEO, Madrone Health Foundation
Pria Hidisyan, Secretary	Real Estate Management
Zachary Heineman, Treasurer	Architect, Owner of Team Projects
Thomas J. Higgins	Chairman of Prosetta Biosciences

The executive leadership of MHF is described below.

***Richard Nicholas Waugh, President/Founder*:** Nick founded Madrone Community Development Foundation, an affiliate of MHF, in 2021 after over a decade in tax-exempt markets as an investment banker, credit ratings analyst, and credit committee chairperson. At S&P Global, Nick was an author of P3 student housing criteria, oversaw a portfolio of dozens of P3 student housing projects and ratings on universities and colleges, and was a Chair of Rating Committees. Following his work at S&P, Nick joined George K. Baum and then Stifel as an investment banker serving college and university clients. In that capacity, he structured and underwrote GO bonds for universities and multiple P3 student housing projects. He also has experience creating the financial structure of energy efficiency (EaaS) projects while at Redaptive. Nick has a BA in economics from Williams College, and an MBA from Yale University.

Blair Tavenner, Chief Operating Officer: Blair brings over forty (40) years of experience in completion of complex projects with extensive experience gained from positions in banks, savings and loans and public companies (Real Estate Investment Trusts - REITs). His broad experience in all aspects of retail banking, commercial lending, real estate workout transactions, loan documentation and closings, contract negotiations, bankruptcy, and asset management brings a unique view to any project. Adept at successful contract negotiations, in both public and private companies, Blair excels at the coordination of all entities and documents involved in complex transactions to assure a clear understanding of the project and successful movement to closing. As to the tax-exempt field, Blair has led the successful underwriting and closing of twelve (12) student housing projects through underwriting, construction and operations totaling $1.08 billion in tax-exempt bonds. Blair attended The Ohio State University and graduated with a BSBA majoring in Finance with a minor in Portfolio Analysis.

Neither MHF nor any affiliate of MHF, other than the Borrower, will have any obligation with respect to the Series 2026 Bonds or under any of the bond documents.

No Recourse Against the Borrower's Member or Officers

No recourse under or upon any obligation, covenant, or agreement contained in the Loan Agreement, in any of the Financing Documents or Material Contracts, or in any other documents delivered in connection with the issuance of the Series 2026 Bonds or for any claim based thereon, or under any judgment obtained against the Borrower, or by the enforcement of any assessment or penalty or otherwise or by any legal or equitable proceeding by virtue of any constitution, rule of law or equity, or statute or otherwise or under any other circumstances, under or independent hereof, will be had against any incorporator, director, member (including MHF), or officer, as such, past, present, or future of the Borrower or MHF, or any incorporator, director, member, or officer of any successor entity, as such, either directly or through the Borrower or any successor entity, or otherwise, for the payment for or to the Borrower or any receiver thereof, of any sum that may be due and unpaid by the Borrower under the Loan Agreement, any of the Financing Documents or Material Contracts, or any other documents delivered in connection with the issuance of the Series 2026 Bonds.

ENERGY PROJECTS MANAGEMENT

Optimum

Optimum is a global holistic infrastructure solutions company serving mission-critical facilities across healthcare, higher education, and advanced manufacturing, with additional experience in commercial real estate, data center, district energy, pharmaceutical, and technology sectors in the United States and internationally. Headquartered in Seattle, Washington, Optimum has more than 20 years of experience delivering energy infrastructure and management services across the full facility lifecycle.

Optimum delivers integrated infrastructure services spanning engineering, design, construction, central utility plant development and modernization, mechanical and energy systems, ongoing O&M and asset management, and mechanical contracting and field services through HMC. In-house capabilities include retro-commissioning, building controls upgrades, mechanical, electrical, and plumbing (MEP) engineering and design, and hydraulic studies.

Optimum's technology platform is built on the Hartman LOOP, the patented, all-variable-speed chiller plant optimization method developed by Tom Hartman and widely regarded as the foundation of modern central plant optimization. Optimum holds the commercial rights to this technology and has extended it into a suite of proprietary, patented, AI-driven optimization software built on 20 years of central plant performance data. The platform continuously tunes chilled water, hot water, and air-side systems to the lowest achievable energy use while maintaining full reliability and redundancy.

Today, Optimum manages more than 4 million tons of chilled water plant capacity across its global portfolio, including the largest central plant in the United States. A dedicated Remote Services team monitors and optimizes these systems continuously, providing real-time performance management, fault detection, and operational support to critical infrastructure facilities such as hospitals, research campuses, and data centers where uptime is non-negotiable. The result is sustained performance improvement that no traditional O&M provider can match.

Optimum's Energy-as-a-Service (EaaS) and Optimization-as-a-Service models enable clients to access this full platform through flexible transaction structures that combine engineering and design, project financing, installation, and ongoing operation, monitoring, and support under a single performance-based agreement. Clients accelerate cost savings and performance goals without upfront capital commitment, backed by measured and verified savings for the life of the partnership.

Optimum is a portfolio company of Bernhard Capital Partners, a services- and infrastructure-focused private equity firm. For more information, visit www.optimumenergyco.com.

Project Implementation Agreement

The Borrower entered into a Project Implementation Agreement, dated September __, 2026 (the "Project Implementation Agreement") with Optimum for the performance of all design, construction, operations, maintenance and other services and responsibilities of the Borrower under the ERPA. Pursuant to the Project Implementation Agreement, Optimum will be responsible generally performing, as and when due, all obligations of the Borrower under the ERPA, including (i) providing the Energy Services to South County Health; (ii) causing the Energy Services to satisfy the Energy Assets Capacity Requirements; and (iii) performing, at Borrower's request, all work related to selling and making available capacity of the Energy Assets beyond the Energy Assets Capacity Requirements to third-party offtakers ("Excess Capacity Services") (collectively, the "Optimum Work").

Pursuant to the Project Implementation Agreement, solely to the extent required to perform the Optimum Work, Optimum will have the same rights and obligations of the Borrower under the ERPA, except as generally described in the next sentence. The following rights and obligations of the Borrower under the ERPA are not pass-down to Optimum under the Project Implementation Agreement and constitute the excluded scope: (i) the Concession Rights (as hereinafter defined) or legal title in any of the Optimum Work; (ii) any right to share in the net profits or losses realized by the Borrower under the ERPA or Direct Agreement, (iii) any share of the Capacity Charge and Monthly Refinancing Payment (excepting any payments related to the Maintenance Reserve Account); (iv) any financing or repayment of financing for the Energy Projects; (v) payment of the Concession Fee to South County Health; (vi) risk of loss following substantial completion of all Energy Assets Improvements; (vii) liability, loss or damages under the ERPA not caused by an Optimum event of default under the Project Implementation Agreement; and (viii) Lenders' Liabilities or unless incurred by Optimum due to an Optimum Event of Default, the Lender Make-Whole Premium Amount.

Under the Project Implementation Agreement the Borrower will pay (or cause to be paid via the Collateral Agent) to Optimum: (a) for design and construction Optimum Work, the amounts indicated in the schedule of values attached to the Project Implementation Agreement; and (b) monthly payments for (i) Optimum Work related to operations and maintenance services for the Energy Assets; and (ii) Optimum Work related to maintenance of the Retained Assets.

The term of the Project Implementation Agreement (the "PIA Term") will not be greater than the least of: (a) 80% of the weighted average reasonably expected economic life of the Energy Assets; (b) thirty (30) years from the date that is nine (9) months after the target project substantial completion date; or (c) upon (and simultaneously with) termination of the ERPA (the "PIA Term Limit"). The initial PIA Term will end on the date that is twenty-five (25) years from the earlier of (i) the project substantial completion date and (ii) the date that is nine (9) months after the target project substantial completion date. Optimum's obligations to perform the Optimum Work will not commence until the financial close of the Series 2026 Bonds ("Financial Close") and will thereafter continue for the remainder of the PIA Term. Unless the Borrower gives notice of non-renewal to Optimum at least ninety (90) days prior to the expiration of the then-current PIA Term (the initial PIA Term or a renewal PIA Term) or the Project Implementation Agreement is earlier terminated, the Project Implementation Agreement will automatically renew at the PIA Term Limit for an additional five (5) year period. Any renewal of the PIA Term will be subject to the condition that the Borrower and South County Health obtain a favorable opinion of bond counsel with respect to such renewal and deliver a copy of such opinion to the Collateral Agent. If the Project Implementation Agreement is not renewed, the Borrower must engage an Acceptable Operator for the balance of the ERPA Term, and South County Health is an express third-party beneficiary of these obligations in the Project Implementation Agreement.

Optimum has the right to terminate the Project Implementation Agreement in the event of any of the following: (i) the Borrower fails to cure its breach of a non-monetary obligation under the Project Implementation Agreement or under any other agreement between Optimum and the Borrower, within thirty (30) days after the Borrower receives notice from Optimum of the breach; *provided*, that if such breach cannot reasonably be cured during such 30-day period, the Borrower will be entitled to an additional thirty (30) days within which to cure its breach, so long as it has commenced curing such breach within the initial 30-day period and is diligently pursuing such cure; (ii) the Borrower fails to pay to Optimum the full amount of any amounts due and payable within fifteen (15) days after the Borrower receives notice of such payment being past due; (iii) an Insolvency Event (as defined in APPENDIX C – "DEFINITIONS OF CERTAIN TERMS UNDER THE ENERGY RESILIENCE AND PERFORMANCE AGREEMENT" to the Official Statement) occurs with respect to the Borrower or any Affiliate thereof. In addition to the extent that a Health System Default (as hereinafter defined) adversely impacts Optimum under the Project Implementation Agreement, Optimum can cause the Borrower to default South County Health under the ERPA for any Health System Default.

ENERGY RESILIENCE AND PERFORMANCE AGREEMENT

South County Health and the Borrower entered into the ERPA pursuant to which South County Health has granted to the Borrower, for the term of the ERPA, an exclusive right to access and utilize the Energy Assets to provide Energy Services to South County Health; to perform Energy Assets Improvements; and to provide Excess Capacity Services to third-party offtakers, in the manner set forth in the ERPA. The ERPA also grants the Borrower the right to access the Retained Assets to perform Retained Assets Improvements in accordance with the ERPA.

Improvements/Construction/Timeline

Optimum will design, construct and install the "Improvements" (consisting of the Energy Assets Improvements and the Retained Assets Improvements, each as defined herein) pursuant to and in accordance with the requirements of the ERPA (the "D&C Work"). Pursuant to the ERPA, Optimum will complete all of the permanent facilities, structures, additions, changes, and modifications to the Energy Assets and the Retained Assets specified in the exhibits attached to the ERPA. As compensation for the Energy Assets Improvements and the Retained Assets Improvements, Optimum will receive an amount not to exceed the applicable sum identified in the schedule of values attached as an exhibit to the ERPA ("Schedule of Values"). The ERPA permits the Borrower or South County Health to request change orders, and the Borrower will promptly prepare a change order proposal for South County Health's review and approval. Any change order must memorialize the following: (i) the modified scope of the work, (ii) the changes to the construction schedule due to the change in work; (iii) the projected modification to the contract prices or adjustments to payment schedules due to the change in work; and (iv) the adjustments to the performance standards, the Guaranteed Savings (as hereinafter defined) or the key performance indicators in the ERPA due to the change order. South County Health must review and respond within fifteen (15) days (or any such longer period agreed between the parties) of delivery of the change order, accepting or rejecting the change. If South County Health does not timely approve or reject any such change order proposal, then the Borrower will have no further obligation to honor the proposal.

The costs of the Energy Assets Improvements and Retained Assets Improvements are set forth in the Schedule of Values. The Borrower will draw (or will cause Collateral Agent to draw on its behalf) funds from the Project Account to pay for the Energy Assets Improvements. Upon receipt of a payment request by the Borrower, South County Health will make monthly payments to the Borrower for the D&C Work performed on the Retained Assets Improvements, the amount of which is based on the percentage of the Improvements completed. The costs of the Retained Assets Improvements are set forth in the

Schedule of Values may be modified upon the written consent of the Borrower and South County Health. For additional details on the Improvements, see "OVERVIEW – The Energy Projects" hereinabove.

Services

Pursuant to the ERPA, the Borrower has the exclusive right to (a) operate the Energy Assets to provide Energy Services for the South County Hospital and related facilities, and (b) to sell Excess Capacity Services to third-party offtakers following the Borrower's compliance with requirements set for the in the ERPA (collectively, the "Concession Rights"). "Service Year" means each one-year period during the ERPA Term commencing from the Financial Close date to the date immediately preceding the anniversary thereof.

Pursuant to the ERPA, and subject to the Start-up Services period, the Borrower is obligated to perform the following services on and after the Financial Close:

(i) Perform the Energy Services by operating the Energy Assets in order to provide the South County Hospital and related South County Health facilities with Thermal Energy at the standards and specifications identified in the ERPA (the "Energy Performance Standards") and that meets the Thermal Energy requirements set forth in the ERPA for the operation of South County Hospital (the "Energy Requirements") twenty-four (24) hours per day, seven (7) days per week, 365 (or 366) days per year except to the extent the Borrower is excused from its obligation to provide the Energy Services pursuant to the ERPA, in accordance with the Thermal Energy capacity for the Energy Services equipment.

(ii) As part of the Energy Services, perform the necessary ordinary operation and maintenance "O&M Services" on the Energy Assets and related Energy Services equipment so that Energy Services can be provided to South County Health in accordance with the ERPA. Under the ERPA, this includes performing repairs and routine maintenance work on the Energy Assets and related Energy Services equipment necessary for the Borrower to operate the Energy Assets in the ordinary course, including all necessary work to keep the Energy Assets in good and safe working order in conformity with applicable law and industry practice and the applicable requirements of manufacturer's warranties in respect of the Energy Services equipment (the "Maintenance Repairs"). The Borrower is responsible for performing the necessary maintenance, repairs, optimizations, inspections, monitoring, reporting and other operations and maintenance services to ensure that the Energy Assets meet Energy Assets Capacity Requirements.

(iii) Perform major repairs or replacements of the Energy Assets and Energy Services equipment beyond ordinary O&M Services, as necessary to ensure their performance meets the standards provided in the ERPA. Absent a Relief Event or any expressly stated exclusion in the ERPA, the Borrower must pay the costs for any Energy Assets lifecycle services.

(iv) Perform Retained Assets Services. While the ERPA requires the Borrower to provide the Retained Assets Services, the Borrower is not obligated to provide major repair or replacement of Retained Assets. The Borrower can perform major repairs or replacements on Retained Assets that are beyond the ordinary maintenance plan established by the Borrower ("Retained Assets Lifecycle Work") to the extent required to maintain the Guaranteed Savings under the ERPA. Such Retained Assets Lifecycle Work will be paid in accordance with the fee schedule included in the exhibits to the ERPA, which permits time and materials, lump sum, or fixed price compensation; and specified materials, refrigerant, third-party services and equipment replacements are added to the Retained Assets Services Charge.

A Maintenance Reserve Account will be established and maintained in accordance with the Collateral Security Agreement and the Developer or its designee may draw, utilizing the form attached as Exhibit F to the Collateral Security Agreement, from the Maintenance Reserve Account for the costs of repair, replacement or restoration of Energy Assets or Energy Asset Improvements, including lifecycle work for Energy Assets, or restoration of such Energy Assets following casualty damages stemming from an uninsured casualty loss in accordance with the ERPA, subject to the limitations provided for in the ERPA. The Maintenance Reserve Account will be funded with monthly Maintenance Reserve Account Payments, a component of the Monthly Capacity Charge (the "Maintenance Reserve Account Payment") as well as from Replenishment Payments if and to the extent required by the ERPA or the Collateral Security Agreement. Any Replenishment Payments required pursuant to the ERPA or the Collateral Security Agreement shall in all events be paid without set-off, reduction, offset or withholding.

The Borrower will also implement, or cause to be implemented, an annual service plan setting forth the annual operational and maintenance plan, and to the extent of the Borrower's knowledge, at the time any potential necessary Retained Assets Lifecycle Work, for the performance of the Energy Services. The Borrower will set out all Maintenance Repairs and Retained Assets Lifecycle Work for any Service Year in the annual service plan for such Service Year. The Borrower will deliver to South County Health the proposed annual service plan for the first Service Year prior to the commencement of the provision of Services, and will update such annual service plan for each Service Year thereafter.

Services Charge

Under the ERPA, South County Health will pay the Borrower a monthly services charge (the "Services Charge" or "Monthly Services Charge") in exchange for the Energy Services and O&M Services provided by the Borrower, which for any billing month consists of (i) the Capacity Charge; (ii) the Maintenance Charge; and (iii) the net charge payable by South County Health for the performance of all operations, maintenance, and related services on the Retained Assets as required by the ERPA (the "Retained Assets Services Charge"), as calculated and escalated pursuant to the ERPA.

The Capacity Charge is comprised of the Base Capacity Charge (the "Base Capacity Charge"), the Base Operational Charge (the "Base Operational Charge"), and the Maintenance Reserve Account Payment. The Base Capacity Charge and Base Operational Charge components of the Capacity Charge are fixed for each Service Year (as defined in the ERPA) and shall not be subject to the CPI Escalator under the ERPA. The Maintenance Reserve Account Payment portion of the Capacity Charge will escalate annually on July 1st pursuant to the CPI Escalator under the ERPA. The Capacity Charge, including all components thereof, is not subject to offset or reduction, and South County Health will, in all events, pay the Capacity Charge without set-off or withholding, whether or not there is a dispute or disagreement pertaining to the Base Operational Charge, the Maintenance Reserve Account Payment, the Maintenance Charge, the Retained Assets Services Charge, or any other component of the Services Charge.

The Maintenance Charge and the Retained Assets Services Charge are subject to adjustment based on the CPI Escalator under the ERPA. Under the ERPA, the Maintenance Charge and the Retained Assets Services Charge (but not the Capacity Charge, the Monthly Refinancing Payment nor the Replenishment Payment) are both subject to offset and reduction solely for (i) undisputed damages owed by the Borrower to South County Health, including for any Guaranteed Savings Shortfalls (as hereinafter defined), any compensable Service Lapses (as hereinafter defined), or remedial costs incurred by South County Health when exercising step-in rights to mitigate a Service Lapse (subject to per event and annual caps) and (ii) any formula agreed between Borrower and South County Health to account for the portion of the Energy Assets utilized by the Borrower for the benefit of such third-party offtakers (clauses (i) and

(ii) collectively, the “Allowable Offsets”). Any permitted deductions in excess of the Maintenance Charge and Retained Assets Services Charge for a given month may only be deducted from a future month’s Maintenance Charge or Retained Assets Services Charge and may not be deducted or withheld from the Capacity Charge.

Any offset or reduction of the Maintenance Charge or Retained Assets Services Charge will be determined from monthly reviews of the Borrower’s performance (the “Monthly Reconciliation”) against the key performance indicators (“KPI”) in the manner set forth in the ERPA. In the event that such review determines that one or more KPIs have not been met, the Borrower will calculate the amount of any reimbursement due to South County Health as a result of such non-performance (the “KPI Reconciliation Amount”) in accordance with the ERPA and, for any KPI Reconciliation Amount due for reasons other than a failure to achieve the Guaranteed Savings, such amount will apply as a credit against the next monthly Maintenance Charge and Retained Assets Services Charge invoice, or, at the Borrower’s election, pay such amount to South County Health within thirty (30) days of the Monthly Reconciliation.

South County Health agrees that for all billing months it will pay the entire monthly Services Charges (subject to Allowable Offsets), which obligation will continue without interruption for the term of the ERPA without exception and that South County Health has an absolute and unconditional obligation to pay the entire Capacity Charges for each billing month in accordance with the provisions of the ERPA.

All payments by South County Health will be made by wire transfer of immediately available funds directly to the account designated by the Borrower.

Refinancing Payments

The ERPA requires South County Health to make monthly refinancing payments (the “Monthly Refinancing Payment”) in the amounts identified in the ERPA. The Monthly Refinancing Payment is not subject to offset or reduction, and South County Health will, in all events, pay the Monthly Refinancing Payment (in addition to the Capacity Charge and any Replenishment Payment) without set-off or withholding, whether or not there is a dispute or disagreement pertaining to Base Operational Charge, the Maintenance Reserve Account Payment, the Maintenance Charge, the Retained Assets Services Charge, or any other component of the Services Charge.

Performance Standards – Guaranteed Savings and Service Lapse

The ERPA requires Borrower to perform Energy Services to South County Health at specific standards necessary for South County Health to operate its hospital and related facilities. In the event the Borrower fails to perform Energy Services in a manner that meets the Energy Requirements and which causes a material adverse effect on South County Health’s ability to perform its essential functions as a hospital system and serve patients and generate revenue (a “Service Lapse”), the Borrower will be obligated to rectify and remedy such Service Lapse in accordance with industry practice to ensure full and complete continuity of service. Pursuant to the ERPA, the Borrower’s Energy Service performance is subject to specific key performance indicators with regards to a Service Lapse and the Guaranteed Savings (as hereinafter defined) assurances. Deductions for KPI failures will not be permitted against the Capacity Charge.

Under the ERPA, and after the first six (6) months following the project substantial completion date, any Service Lapse not subject to a Relief Event is subject to a KPI review and potential KPI Reconciliation Amount owed from Borrower to South County Health.

Guaranteed Savings

The Energy Projects are cumulatively intended to reduce South County Health's consumption of energy and reduce the utility costs South County Health. The Borrower has guaranteed such energy savings under the ERPA (the "Guaranteed Savings"). The ERPA calculates and provides for the annual Guaranteed Savings on an aggregate basis, such calculations are a KPI for whether actual energy savings (the "Annual Savings") have been achieved. In the event there is a shortfall in achieving the Guaranteed Savings in any Service Year, the Borrower will either pay South County Health an amount equal to such shortfall or perform an equivalent amount of in-kind D&C Work ("Guaranteed Savings Shortfall").

The Guaranteed Savings and KPIs do not apply from the Financial Close until six (6) months after the project substantial completion date. Within the first three (3) months after Financial Close, South County Health will designate a "Start-up Services Commencement Date" that is no later than six (6) months after Financial Close. From that date through the project substantial completion date, the Borrower will provide specified "Start-up Services," including designated staffing, preventive maintenance and emergency-response services, but will not bear the cost or replacement risk for Energy Assets and Retained Assets except as expressly provided in the ERPA. Following the project substantial completion date, the Borrower will assume full lifecycle responsibility for the Energy Assets.

Within ninety (90) days after each Service Year following the Start-up Services period, the Borrower will reconcile the Guaranteed Savings and pay any resulting Guaranteed Savings Shortfall within thirty (30) days after reconciliation. The Guaranteed Savings and applicable baselines may be adjusted for Change Orders, Relief Events, material changes in facility use or operations and other routine or non-routine adjustments recognized under the applicable measurement and verification methodology, without double counting.

Cooperation

South County Health, the Borrower, Optimum and Argent Trust Company (the "Collateral Agent") will enter into an agreement (the "Direct Agreement") which governs the relationship among the parties relating to notices and cure periods under the Financing Documents. Separately from South County Health's options following an ERPA termination, the Direct Agreement requires the Collateral Agent to notify South County Health of an uncured Borrower default under the Financing Documents and to forbear from enforcement while South County Health has one hundred eighty (180) days to cure the default while continuing to pay the Capacity Charge to the Collateral Agent, to assume the Borrower's financial obligations under the Financing Documents, or to exercise both remedies. South County Health is not obligated to cure or assume those obligations.

Defaults

A "Borrower Default" means, following an initial pre-default notice and expiration of applicable cure periods and a second notice, each of the following: (i) a Borrower or Optimum (or replacement operator) Insolvency Event, (ii) Borrower's failure to maintain required insurance policies, (iii) Borrower's failure to materially comply with applicable laws or permits, (iv) Borrower's failure to make undisputed payments that cause a material impact on the Optimum Work, (v) Borrower's failure to perform material obligations, and (vi) Borrower's abandonment of the project.

A "Health System Default" means, following notice and the applicable cure periods, each of the following: (i) a South County Health Insolvency Event, (ii) South County Health's failure to pay the monthly Capacity Charge, (iii) South County Health's failure to pay undisputed Maintenance Charges, (iv) South County Health's failure to perform material obligations.

Term and Termination

The term of the ERPA will commence on the date the ERPA is signed and will expire on the date that is thirty (30) years from the earlier of (a) the date the Energy Project achieves full substantial completion and (b) the date that is nine (9) months after the target substantial completion date set forth in the construction schedule, or (c) the date the ERPA is terminated pursuant to its terms (the "ERPA Term"). South County Health and the Borrower have termination rights under certain scenarios. For more information on such termination rights, see APPENDIX D - "SUMMARY OF CERTAIN PROVISIONS OF THE ENERGY RESILIENCE AND PERFORMANCE AGREEMENT – Termination."

Upon any termination, South County Health will be required to pay a termination fee Borrower that will cover in full the amount of all Series 2026 Bonds then outstanding, which includes the payment of all principal, interest, premium (if any), fees, costs and other liabilities ("Lenders' Liabilities") and a lender make-whole premium amount, without setoff or abatement. Such amounts shall be paid by South County Health to the Collateral Agent and applied pursuant to the Collateral Security Agreement. In the event of termination for certain South County Health defaults or for convenience by South County Health, South County Health will also be required to pay: (i) a developer fee in an amount set forth in the ERPA for each Service Year of the ERPA Term to cover the Borrower's actual out-of-pocket costs as a result of early termination, and (ii) contractor breakage costs which will include without limitation any stranded capital investment and additional taxes relating to third-party offtakers. Termination for convenience may only be exercised after the tenth (10th) Service Year.

In the event of a Borrower Default, then South County Health can either (i) require the Borrower to replace its operator if the default is caused by its operator or (ii) terminate the ERPA. To the extent that South County Health exercises its termination rights as permitted under the ERPA, due to either a Borrower default or a termination for change in law or a casualty property loss event, South County Health may pay the Termination Fee, including 100% of the Lenders' Liabilities portion of the Termination Fee or, in lieu of paying the Lenders' Liabilities portion of the Termination Fee: (i) assume the Borrower's obligations under the Financing Documents through an assignment and/or novation by the Borrower to South County Health and issue an master trust indenture note obligation under its master trust indenture effective the terminate date, to evidence and secure its obligations under the Financing Documents; or (ii) direct Borrower to terminate Optimum under the Project Implementation Agreement and continue paying the Capacity Charge and Monthly Refinancing Payment to the Borrower; provided, that (a) the Borrower will retain the Concession Rights under the ERPA; (b) South County Health will enter into a subcontracting arrangement with the Borrower to perform O&M Services and Retained Assets Services; (c) the ERPA will remain in full force and effect solely with respect to provisions pertaining to the payment of the Capacity Charge and the Monthly Refinancing Payment; (d) the Financing Documents, including the Direct Agreement, will remain in full force and effect (see APPENDIX D - "SUMMARY OF CERTAIN PROVISIONS OF THE ENERGY RESILIENCE AND PERFORMANCE AGREEMENT – Termination").

Excess Capacity

As part of the Concession Rights, South County Health has granted to the Borrower the exclusive right to provide Excess Capacity Services to any person that does not compete with the South County Health's economic interests and is not a federally excluded, suspended or disbarred person, including any federally excluded, suspended or disbarred entities identified by the Office of Inspector General (the "OIG"), Joint Commission, Centers for Medicare and Medicaid Services and/or any entity included on the OIG's List of Excluded Individuals/Entities (any such person, a "Permitted Third-Party

Offtaker") pursuant to the ERPA. Any agreement entered into between the Borrower and a Permitted Third-Party Offtaker will expressly state (i) that the provision of Energy Services to such Permitted Third-Party Offtaker ("Third-Party Offtaker Agreement") is at all times subordinate to Borrower's obligation to provide the full Energy Services to South County Health at the Project Sites; (ii) that Borrower will use commercially reasonable efforts to curtail or suspend the provision of Energy Services to any Permitted Third-Party Offtaker if and to the extent required to meet the Energy Requirements of South County Health; (iii) that such Third-Party Offtaker Agreement may be terminated by the Borrower upon termination of the ERPA and (iv) such Permitted Third-Party Offtaker shall release South County Health from any claims arising from its use of the Energy Assets. Any amounts received by the Borrower from Permitted Third-Party Offtakers are not required to be deposited with the Collateral Agent and are not expected to be used for the payment of debt service on the Series 2026 Bonds.

Covenants of South County Health

Pursuant to the ERPA, South County Health has covenanted that, during the term of the ERPA, it will not, without prior written consent of Argent Trust Company, discharge, amend or fail to comply with its obligations set forth in Article 6 of a Master Trust Indenture dated as of December 1, 2003, as supplemented and amended through Supplemental Indenture No. 13 dated as of September 1, 2026 (the "Master Indenture"), between South County Health and U.S. Bank Trust Company, National Association, as master trustee. South County Health's prior debt, including the Existing South County Indebtedness, was issued pursuant to the provisions of its Master Indenture, which imposes covenants on South County Health under Article 6 of the Master Indenture. In accordance with its covenant under the ERPA, South County Health must continue to follow and observe the Master Indenture covenants for the duration of the term of the ERPA, and its failure to do so could result in a default under the ERPA. The Master Indenture imposes covenants on South County Health relating to the encumbrance of property and incurrence of debt, among others. Hereinbelow are summaries of the relevant covenants of South County Health under Article 6 of the Master Indenture.

Restrictions as to Creation of Mortgages; Permitted Exceptions

Article 6 of the Master Indenture restricts South County's ability to freely mortgage or encumber its property. The Master Indenture prohibits South County Health from creating or suffer to be created or to exist any mortgage on the property owned by South County Health, except for certain permitted encumbrances, unless each series of notes issued under the Master Indenture is equally and ratably secured with the indebtedness issued under and secured by such mortgage. The Master Indenture allows for permitted encumbrances that are generally routine, required by law, limited in amount, already existing, operationally necessary, or otherwise not materially harmful to the interests of noteholders under the Master Indenture.

Restrictions as to Incurrence of Indebtedness

The Master Indenture also precludes South County Health from incurring any indebtedness or obligation for payments of principal and interest with respect to borrowed money, unless it satisfies the requirements of the Master Indenture. The Master Indenture imposes separate requirements, depending on whether the debt is classified as long-term indebtedness, refunding indebtedness, short-term indebtedness, subordinated indebtedness, or completion indebtedness. Other than subordinated indebtedness, which may be incurred without limitation, the Master Indenture requires specific evidence and certification of compliance with its terms. Summaries of the Master Indenture provisions restrictions on each type of indebtedness are provided hereinbelow.

Long-term indebtedness is permitted under the Master Indenture if South County Health provides required evidence to the Master Trustee showing adequate debt service coverage. Generally, South County Health must certify that its debt service coverage ratio, which is the ratio of net income available for debt service to the maximum annual debt service, for the prior two audited fiscal years, after giving effect to the proposed debt, is at least 1.10. For purposes of calculating the debt service coverage ratio for purposes of the additional long-term indebtedness test, (i) maximum annual debt service shall be deemed to include, in addition to actual debt service on Notes, an amount equal to the aggregate annual Base Capacity Charge and the Monthly Refinancing Payment payable by South County Health under the ERPA and (ii) net income available for debt service shall be deemed to exclude from expenses, an amount equal to the aggregate annual Base Capacity Charge and the Monthly Refinancing Payment payable by South County Health under the ERPA.

The Master Indenture permits refunding indebtedness if South County Health certifies that the refinancing will not increase aggregate maximum annual principal and interest payments for any future fiscal year by more than fifteen percent (15%). The provisions applicable to issuing long-term debt must also be satisfied.

Short-term indebtedness is authorized by the Master Indenture subject to borrowing limits and annual reduction requirements. The total outstanding short-term debt, including the proposed debt, generally may not exceed twenty-five percent (25%) of gross receipts for the prior audited fiscal year. However, short-term debt other than commercial paper may not exceed the greater of twenty-five percent (25%) of gross receipts or seventy-five percent (75%) of currently outstanding net patient accounts receivable.

Additional debt may be incurred by South County Health to complete a project for which borrowed money was already obtained, such as an acquisition, construction, remodeling, or renovation. The added debt generally may not exceed twenty-five percent (25%) of the original debt incurred for that project.

Sale, Lease or other Disposition of Assets

The Master Indenture establishes limitations on the ability of South County Health to sell, lease, or otherwise dispose of assets outside the ordinary course of business when the value of such assets exceeds 10% of the South County Health's aggregate asset value in a fiscal year. Dispositions of assets that are obsolete, unsuitable, unprofitable, undesirable, or unnecessary are permitted without additional requirements. The Master Indenture authorizes dispositions of assets other than cash or securities if South County Health establishes that (i) the debt service coverage ratio for the immediately preceding fiscal year was not less than 1.10; and (ii) the projected debt service coverage ratio for each of the two fiscal years immediately succeeding the proposed sale, lease or disposition, is either (a) not less than 1.50, or (b) not less than 1.20 and not less than eighty percent (80%) of the expected debt service coverage ratio if the proposed sale, lease or disposition were not to occur.

Cash and securities may be transferred under the Master Indenture if (i) the debt service coverage ratio for the immediately preceding fiscal year would not be reduced below 1.20 and (ii) the debt service coverage ratio is not reduced by more than twenty percent (20%) as a result of such transfer.

The Master Indenture authorizes the disposition of (i) current assets with a value of no more than thirty (30) days cash on hand if South County Health will have at least sixty (60) days cash on hand following such disposition, and (ii) current assets in any amount if the debt service coverage ratio for the immediately preceding two fiscal years is not less than 1.20.

FINANCIAL MATTERS

The Borrower has provided certain projected Capacity Charges, Monthly Refinancing Payments and debt service coverage (the "Financial Projections"), with associated assumptions. The table was prepared by Optimum and reviewed by the Borrower.

The prospective Financial Projections included below reflect Optimum's judgement as of the date of this Official Statement of the conditions Optimum expects to exist and the course of actions it expects to take through calendar year 2056. There can be no assurances that Optimum's forecasted results will be achieved. The assumptions and estimates underlying the prospective financial information are unaudited and inherently uncertain and, although Optimum considers them reasonable as of the date of this Official Statement, they are subject to a wide variety of significant business, economic and competitive risks and uncertainties that could cause actual results to differ materially from forecasted results, including, but no limited to, the risks and uncertainties described in "RISK FACTORS" in the body of this Official Statement. Accordingly, there can be no assurances that the Financial Projections will be indicative of Optimum's future performance or that the actual results will not differ materially from those presented in the Financial Projections. Inclusion of the prospective financial information in this APPENDIX A to the Official Statement should not be regarded as a representation by the Borrower, the Underwriter, South County Health, Optimum or any other person that the results contained in the Financial Projections will be achieved.

The prospective information and Financial Projections included in this APPENDIX A to the Official Statement have been prepared by, and are the responsibility of, Optimum. No independent auditor has audited, reviewed, examined, compiled, or applied agreed-upon procedures with respect to the accompanying prospective financial information and, accordingly, the Financial Projections should be read in conjunction with the information provided in this APPENDIX A to the Official Statement.

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Below is a coverage table demonstrating the anticipated Base Capacity Charges, Monthly Refinancing Payments and the debt service on the Series 2026 Bonds resulting in coverage of at least 1.0x. The Base Capacity Charge and Monthly Refinancing Payments are structured to cover principal and interest on the Series 2026 Bonds and annual financing administrative costs. For any Service Year, the combined Base Capacity Charge and Monthly Refinancing Payment is anticipated to be at least 1.00x* debt service on the Series 2026 Bonds.

Service Year[(1)]	**Base Capacity Charge + Refinancing Payment**[(1)]	**Debt Service**[(1)]	**Debt Service Coverage Ratio**[(1)]
1	$2,553,819	$2,553,819	1.00x
2	5,537,616	5,537,616	1.00x
3	5,537,096	5,537,096	1.00x
4	5,535,836	5,535,836	1.00x
5	5,533,426	5,533,426	1.00x
6	5,534,456	5,534,456	1.00x
7	5,538,106	5,538,106	1.00x
8	5,533,556	5,533,556	1.00x
9	5,535,806	5,535,806	1.00x
10	5,533,626	5,533,626	1.00x
11	5,381,606	5,381,606	1.00x
12	5,379,156	5,379,156	1.00x
13	5,382,031	5,382,031	1.00x
14	5,379,681	5,379,681	1.00x
15	5,377,106	5,377,106	1.00x
16	5,379,031	5,379,031	1.00x
17	5,382,125	5,382,125	1.00x
18	5,377,875	5,377,875	1.00x
19	5,381,281	5,381,281	1.00x
20	5,381,463	5,381,463	1.00x
21	5,378,125	5,378,125	1.00x
22	5,380,625	5,380,625	1.00x
23	5,377,188	5,377,188	1.00x
24	5,377,500	5,377,500	1.00x
25	5,380,625	5,380,625	1.00x
26	5,380,625	5,380,625	1.00x
27	5,381,875	5,381,875	1.00x
28	5,378,438	5,378,438	1.00x
29	5,379,688	5,379,688	1.00x
30	5,379,375	5,379,375	1.00x
31	5,381,563	5,381,563	1.00x
Totals:	**$165,350,327**	**$165,350,327**	

(1) Preliminary, subject to change

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* Preliminary, subject to change.

Below is a coverage table demonstrating the anticipated Capacity Charges, Monthly Refinancing Payments, Base Operational Charges, Maintenance Charges, Retained Asset Services Charges and the debt service on the Series 2026 Bonds. The Base Capacity Charge and Monthly Refinancing Payments are structured to cover principal and interest on the Series 2026 Bonds.

Service Year[(1)]	**Base Capacity Charge[(1)] + Base Operational Charge[(1)] + Maintenance Charge[(1)(2)] + Retained Asset Services Charge[(1)(2)] + Refinancing Payment[(1)]**	**Debt Service[(1)]**	**Debt Service Coverage Ratio[(1)]**
1	$3,501,938	$2,553,819	1.37x
2	6,943,113	5,537,616	1.25x
3	7,061,296	5,537,096	1.28x
4	7,101,663	5,535,836	1.28x
5	7,142,074	5,533,426	1.29x
6	7,187,153	5,534,456	1.30x
7	7,236,107	5,538,106	1.31x
8	7,278,147	5,533,556	1.32x
9	7,328,313	5,535,806	1.32x
10	7,375,402	5,533,626	1.33x
11	7,274,043	5,381,606	1.35x
12	7,323,393	5,379,156	1.36x
13	7,379,567	5,382,031	1.37x
14	7,432,053	5,379,681	1.38x
15	7,485,897	5,377,106	1.39x
16	7,545,870	5,379,031	1.40x
17	7,608,680	5,382,125	1.41x
18	7,665,849	5,377,875	1.43x
19	7,732,431	5,381,281	1.44x
20	7,797,583	5,381,463	1.45x
21	7,861,064	5,378,125	1.46x
22	7,932,282	5,380,625	1.47x
23	7,999,493	5,377,188	1.49x
24	8,072,440	5,377,500	1.50x
25	8,150,233	5,380,625	1.51x
26	8,226,983	5,380,625	1.53x
27	8,307,121	5,381,875	1.54x
28	8,384,763	5,378,438	1.56x
29	8,469,342	5,379,688	1.57x
30	8,554,660	5,379,375	1.59x
31	8,644,839	5,381,563	1.61x
Totals:	**$234,003,790**	**$165,350,327**	

(1) Preliminary, subject to change.
(2) Pursuant to the ERPA, the Maintenance Charge and the Retained Assets Services Charge are subject to offset or reduction in accordance with the provisions of the ERPA.

OTHER

Insurance

South County Health has agreed for the duration of the ERPA Term to maintain insurance coverage for the types of claims and in agreed to amounts that are identified in the ERPA.

The Borrower has agreed for the duration of the ERPA Term to maintain insurance coverage for the types of claims and in agreed amounts that are identified in the ERPA, including workers' compensation and employer's liability, commercial general liability, commercial automobile liability, umbrella liability, cyber and technology E&O, builder's risk, and boiler and machinery. Such policies are expected to be carried by Optimum pursuant to the Project Implementation Agreement, with the Borrower named as an additional insured or loss payee.

Environmental Matters

The Borrower will be responsible for all hazardous materials the Borrower, Optimum or a contractor introduces onto, or any environmental conditions the Borrower or such other persons creates at or negligently exacerbates at, South County Hospital and Project Sites. South County Health will be responsible for all hazardous materials existing on or under the Project Sites as of the Financial Close date or that South County Health introduces onto, or any environmental conditions it creates at, South County Hospital or the Project Sites, whether before or during the ERPA Term, and the Borrower will be entitled to claim a Relief Event to the extent such hazardous materials adversely impact its work performance.

APPENDIX B

INFORMATION RELATING TO SOUTH COUNTY HOSPITAL HEALTHCARE SYSTEM AND SOUTH COUNTY HOSPITAL HEALTHCARE SYSTEM ENDOWMENT

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INFORMATION RELATING TO
SOUTH COUNTY HOSPITAL HEALTHCARE SYSTEM
AND
SOUTH COUNTY HOSPITAL HEALTHCARE SYSTEM ENDOWMENT

Introduction

South County Hospital Healthcare System (the "Hospital" or "South County Health"), a Rhode Island non-profit corporation, provides a broad range of both inpatient and outpatient services to the residents of, and visitors to, southern and central Rhode Island. The Hospital is a private, non-profit, multi-disciplinary, acute care hospital licensed by the Rhode Island Department of Health ("DOH") to operate 100 beds, consisting of 92 medical/surgical beds and 8 intensive care beds. The Hospital routinely staffs approx. 85 beds with the ability to flex higher with increased demand. The South County Hospital Healthcare System Endowment (the "Endowment"), a Rhode Island non-profit corporation, is the sole member of the Hospital. The principal purpose of the Endowment is to support the Hospital and its affiliates. For additional information relating to the governance of South County Health and the Endowment see "**Governance**" below.

None of South County Health, the Endowment nor any affiliate thereof is liable for the payment of the principal of, premium, if any, or interest on the Series 2026 Bonds. The Series 2026 Bonds and the obligations of the Borrower under the Loan Agreement are not secured by a lien on or security interest in any assets or revenues of South County Health, the Endowment nor any affiliate thereof. The foregoing notwithstanding, payment of the principal of, premium, if any, and interest on the Series 2026 Bonds is expected to be made by the Borrower as the obligor under the Loan Agreement primarily from the Capacity Charge and Monthly Refinancing Payment (each as defined in APPENDIX D – "Summary of Certain Provisions of the Energy Resilience and Performance Agreement" received from South County Health under and pursuant to the terms of the Energy Resilience and Performance Agreement. See APPENDIX A – "Information Concerning the Borrower, the Energy Projects and the Material Contracts" and APPENDIX D – "Summary of Certain Provisions of the Energy Resilience and Performance Agreement." The Monthly Capacity Charge and the Monthly Refinancing Payment are set at levels sufficient to pay debt service on the Series 2026 Bonds and are not subject to set-off or reduction. South County Health's obligation to make payments under the Material Contracts, including the Capacity Charge and Monthly Refinancing Payment under the Energy Resilience and Performance Agreement, are unsecured contractual obligations of South County Health. See the information under the caption "RISK FACTORS – Risks Related to Payments under Certain Material Contracts" and "SECURITY AND SOURCES OF REPAYMENT OF THE SERIES 2026 BONDS" in the forepart of this Official Statement.

Mission Statement

The mission of South County Health is to be Rhode Island's most trusted health partner.

Vision and Organizational Values

South County Health's vision: A model health system – advancing high value health and wellness for our communities by delivering unparalleled quality, service, and innovation.

We are guided by our core values of:

- Integrity – Honoring our commitments to those we serve
- Caring – Exceptional compassion for our patients and coworkers
- Respect – Building trust through mutual regard, collaboration, openness, and humility
- Excellence – Relentless pursuit of benchmark performance in everything we do
- Partnership – Building relationships that support our core values and accelerate results
- Stewardship – Managing organizational resources to preserve and sustain our mission

South County Health's commitment to these values ensures patients receive the highest quality healthcare in a community-based setting designed to optimize their safety and overall experience with their comfort, convenience, and privacy at top of mind.

History

The Hospital traces its origins to 1919, when it was established as the seven-bed Cottage Hospital, the only hospital facility between Providence and New London, Connecticut. In 1925, the Hospital relocated to its current site in a new 42-bed facility (later named the Sturges Building) and changed its name to South County Hospital the following year.

Over the ensuing decades, the Hospital undertook a series of expansion projects to meet growing community needs. The T. G. Hazard Memorial Wing ("Hazard Wing") (1952) added 14 beds and expanded ambulatory services. The South Wing (1962) introduced a new laboratory, surgical suite, and heating plant, raising the bed complement to 67. Additional construction followed with a dietary wing (1967), the Borda Wing for acute inpatient care (1970), and new emergency, radiology, and laboratory facilities (1978).

The 1980s brought further modernization. The Read Wing (1982) added 26 patient rooms, an intensive care unit, and maternity and nursery facilities, while the Sturges Building was converted to offices and a conference center. The surgical pavilion (1988) expanded operating rooms from three to four and same-day surgery stations from six to twelve.

The Hospital continued to grow through the 1990s and 2000s. In 1994, the renovation of Read II into a Women's Wing with eight labor, delivery, recovery, and postpartum rooms brought the Hospital to its current licensed capacity of 100 beds. A medical office building was completed in 1998, the corporate name changed to South County Hospital Healthcare System in 1999, and major projects followed, including a fifth operating room and a 21,000-square-foot emergency department (2002), a 23,000-square-foot outpatient diagnostic center with a new main entrance (2004), clinical laboratory relocation (2005), a 10-bed orthopedic specialty unit (2007), and the three-story, 60-bed Frost Family Pavilion (2008), which replaced older double-occupancy rooms with all single-patient, private rooms and bathrooms. In 2010, the Hospital introduced Mako robotic-assisted surgical technology for hip and knee replacements through a partnership with Ortho Rhode Island.

The Hospital's name was changed to "South County Health" in 2015 in order to reflect the organization's interactions with the community, more than half of which occur outside the walls of the Hospital.

Subsequent years saw continued expansion of the system's geographic and clinical reach. South County Health opened a 30,000-square-foot Medical and Wellness Center in Westerly (2016), acquired the da Vinci Xi Surgical System for robotic-assisted general surgery (2018), launched an online patient portal and opened a seventh operating room (2021), and in 2022 opened a third Medical and Wellness Center in Warwick, resumed full ownership of its Radiation Therapy facility with a new Varian TrueBeam Linear Accelerator, and opened the Center for Advanced Orthopedic Surgery. The Center for Advanced Orthopedic Surgery was developed in collaboration with Ortho Rhode Island who, during the same year, established their southernmost office in South County Health's Wakefield medical office building thereby providing Ortho Rhode Island surgeons seamless access to the Hospital's operating rooms and inpatient units through their clinic. In 2024, South County Health performed its first Aquablation surgical procedure and opened the new Healing Grounds Café and permanent gift shop in the main lobby. South County Health continues to honor its enduring commitment to surgical innovation with the acquisition of the latest Stryker (Mako 4.0) and Corin (Apollo) technologies for robotic-assisted hip and knee replacements along with a hybrid cardiac catheterization and interventional radiology full suite upgrade in 2025 and 2026, respectively.

With these developments, South County Health has evolved from a small community hospital into a comprehensive regional healthcare system encompassing Medical and Wellness Centers in East Greenwich, Westerly, and Warwick, as well as South County Home Health.

Location and Service Area

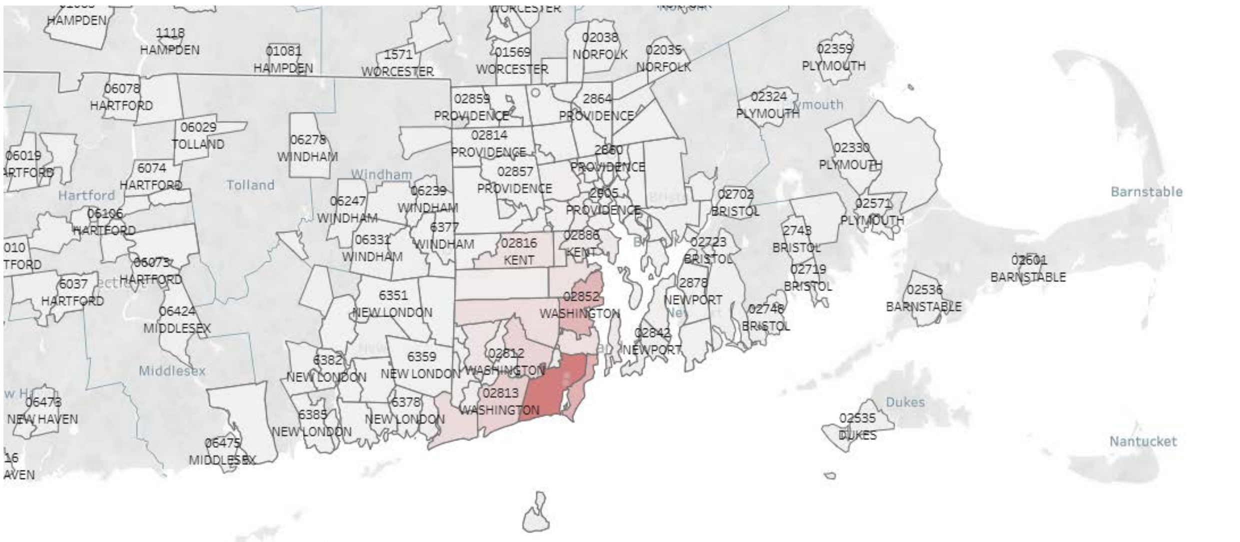
The Hospital is located at 100 Kenyon Avenue in the Wakefield area of South Kingstown, approximately 20 miles from the nearest hospital and 35 miles south of Providence. The Hospital's service area primarily consists of Washington County and secondarily Kent County. Increasingly, patients are also drawn from Newport and Providence Counties in Rhode Island, and New London County in Connecticut. The population census of Washington County as of April 1, 2020 was 129,839, and the population census of Kent County was 170,363 according to the U.S. Census Bureau. The populations of Washington and Kent Counties were projected to have grown modestly (1.03%) from 2020-2025 according to the U.S. Census Bureau. The Hospital's service area population expands significantly during tourist and academic season due to its proximity to coastal communities and the University of Rhode Island ("URI"). (See "COMPETITIVE ENVIRONMENT" and "MARKET SHARE BY HOSPITAL").

Competitive Environment

The Hospital enjoys relative geographic isolation. Residents of Washington County account for nearly 75% of all Hospital admissions. Residents of Kent County account for 11% of additional admissions. The services area of South County Health is generally referred to as "South County".

"South County" is considered to be one of the most attractive areas in the State with its coastal location, home to summer resorts and mansions, and a destination for summer tourists. URI, one of the State's largest employers, with an enrollment of over 17,000 students, is located within five miles of the Hospital. The Hospital's orthopedic surgeon specialists have served as team physicians for URI athletics, and several of the Hospital's clinical departments (i.e., nursing, pharmacy, physical therapy) serve as teaching and internship rotations for the major health-related colleges of URI. Presently, URI is also planning to establish Rhode Island's first public medical school. Following unanimous backing from the URI Board of Trustees, the target date to welcome the first class of medical students is during the Fall 2029 semester. South County Health envisions teaching and internship rotations for medical students and residents in the future.

The following map shows the cities and towns, identified by zip code, in the Hospital's service area along with cities and towns outside the Hospital's service area from which inpatients are drawn:



The Hospital's service area is characterized by communities with a mix of young ages through senior citizens, a strong middle class economic profile, and above average educational attainments. Demographic information from the 2020 US Census and its American Community Survey, 5-Year Estimates, is given in the table below. The table reflects the high income characteristics of the service area. With respect to household income, Washington County's median household income was \$106,638, and Kent County's median household income was \$94,345. These median household incomes are greater than Rhode Island's and the United States' median household incomes of \$87,796 and \$80,734, respectively.

Selected Demographic Data

Year 2020	Washington County	Kent County	Rhode Island	USA
Population under 18	14.8%	17.5%	18.4%	21.5%
Population ≥ 65	25.1%	21.6%	19.7%	18.0%
Bachelor's degree or higher	52.4%	34.7%	37.7%	35.7%
High school graduate or higher	95.7%	93.1%	89.7%	89.6%

Selected Demographic Data				
Year 2020	Washington County	Kent County	Rhode Island	USA
Median household income	$106,638	$94,345	$87,796	$80,734

Source: United States Census Bureau

Statewide demographic data shows a disproportionate percentage in the older population cohorts in South County Health's service area when compared to other counties in the state, see U.S. Census Bureau – Median households income, version 2025. Furthermore, as depicted in the table below, the Rhode Island Statewide Planning Program, Technical Paper 162: Rhode Island Population Projections 2010–2040, projects Washington County will experience the most population growth when compared to all other counties in Rhode Island.

County	Projected Population Change 2010-2040
Washington	+12,539
Providence	+12,112
Kent	+899
Bristol	-535
Newport	-4,085

Source: Rhode Island Statewide Planning Program, Division of Planning, Rhode Island Department of Administration

Commerce and Industry

The Hospital's service area has diverse industries as shown in the following table, which lists the ten largest employers in the Hospital's service area, excluding healthcare providers.

Employer	Type of Business	Employees (RI, approx.)
University of Rhode Island	Public university / higher education	~4,000–5,000
General Dynamics Electric Boat (Quonset Point)	Defense manufacturing (submarines)	~10,000–15,000 (RI footprint estimate)
Ocean State Job Lot	Retail (discount/general merchandise)	~1,000–1,500
Community College of Rhode Island	Public community college	~1,000–1,500
Schneider Electric	Industrial / energy management manufacturing & engineering	~800–1,200 (RI operations estimate)
Amgen	Biotechnology / pharmaceuticals	~500–1,000 (RI site estimate)

Employer	Type of Business	Employees (RI, approx.)
Toray Plastics (America)	Advanced materials / plastics manufacturing	~500–800
Rhode Island Airport Corporation	Public authority (airport operations)	~200–400
FM Global	Insurance / risk engineering	~1,500–2,000
IGT	Gaming technology / lottery systems	~800–1,200

Source: Employee counts are estimated from publicly available company disclosures, BLS QCEW data where available, SEC filings, and Rhode Island state and Quonset Development Corporation reporting, supplemented by facility-level employment estimates.

Market Share by Hospital

In FY2025, a total of 9,615 adult inpatients from Washington County were discharged from non-psychiatric acute care hospitals in Rhode Island, according to data provided by the Rhode Island Department of Health. Of those adult inpatients, 38.9% were discharged by South County Health. During the same period, a total of 15,091 additional adult inpatients from Kent County were discharged from non-psychiatric acute care hospitals in Rhode Island. Of those adult inpatients, approximately 3.7% were discharged by South County Health.

South County Health's adult inpatient market share is depicted in the table below:

Washington County Market Share						
	FY2023		FY2024		FY2025	
Hospital System	**Discharges**	**% Market**	**Discharges**	**% Market**	**Discharges**	**% Market**
South County Health	3,863	40.5%	4,005	40.3%	3,737	38.9%
Care New England	1,451	15.2%	1,465	14.7%	1,524	15.9%
Brown University Health	2,141	22.4%	2,097	21.1%	1,901	19.8%
Westerly	1,867	19.6%	2,107	21.8%	2,254	23.4%
All Other	225	2.4%	199	2.0%	199	2.1%

Kent County Market Share						
	FY2023		FY2024		FY2025	
Hospital System	**Discharges**	**% Market**	**Discharges**	**% Market**	**Discharges**	**% Market**
South County Health	603	4.0%	643	4.1%	553	3.7%
Care New England	8,763	58.1%	9,429	60.3%	9,727	64.5%
Brown University Health	4,941	32.8%	4,831	30.9%	4,129	27.4%
Westerly	113	0.8%	113	0.7%	116	0.8%
All Other	667	4.4%	626	4.0%	566	3.8%

Source: Rhode Island Department of Health adult inpatient discharges excluding psychiatric acute care hospitals. Market share percentages are dependent on inpatient classification. Please review the Utilization Statistics section for a comprehensive view of the Hospital's volumes.

As the table shows, South County Health controls a relative majority of the market share within Washington County. South County Health's Management has made a concerted effort to develop strong core services in areas such as orthopedics, general medicine, general surgery, and cardiology and undertakes measures to further develop South County Health's strength in these service areas. As a community hospital, the Hospital does not offer tertiary services such as organ transplants, open heart surgery, and major trauma services. Additionally, the Hospital does not offer inpatient psychiatry. This means that some patients must leave the community for certain procedures or levels and types of care.

However, within the major service lines that the Hospital does offer, the Hospital has a strong market share, as shown by the table below:

Washington County Market Share %			
	FY2023	**FY2024**	**FY2025**
Medical Cardiology	48.6%	46.7%	43.4%
General Medicine	41.6%	42.6%	40.2%
General Surgery	27.9%	29.5%	26.7%
Orthopedics	53.8%	56.2%	51.1%

Kent County Market Share %			
	FY2023	**FY2024**	**FY2025**
Medical Cardiology	2.7%	2.3%	1.8%
General Medicine	3.6%	3.3%	2.8%
General Surgery	2.7%	2.1%	2.2%
Orthopedics	13.1%	13.0%	14.4%

Source: Rhode Island Department of Health adult inpatient discharges excluding psychiatric acute care hospitals. Market share percentages are dependent on inpatient classification. Please review the Utilization Statistics section for a comprehensive view of the Hospital's volumes.

Rhode Island Hospitals

The following table shows certain comparative information concerning the Hospital and other general acute care, pediatric, and obstetric hospitals in the Rhode Island market based on FY2025 data, the most recent data available for members of the Hospital Association of Rhode Island:

Hospital	Total Adult Discharges	Patient Days	Observation Patients	Newborn Deliveries	Licensed Beds Total (including Emergency Department)	Emergency Dept Visits
South County Health	5,055	20,329	3,371	697	100	27,707
Kent Hospital (Care New England)	11,485	53,400	3,543	502	359	48,224
Landmark Medical Center (Prime)	6,237	22,527	505	434	214	28,293
Newport Hospital (Brown University Health)	3,931	18,062	1,163	441	129	30,154
Our Lady of Fatima Hospital (CharterCare)	2,989	13,916	0	0	312	21,124
Rhode Island Hospital Inc. Hasbro Children's (Brown University Health)	27,256	192,595	11,666	0	719	118,156
Roger Williams Medical Center (CharterCare)	4,024	15,890	1,074	0	220	25,791

Hospital	Total Adult Discharges	Patient Days	Observation Patients	Newborn Deliveries	Licensed Beds Total (including Emergency Department)	Emergency Dept Visits
The Miriam Hospital (Brown University Health)	16,687	69,178	9,364	0	247	60,218
Westerly Hospital (Yale New Haven Health)	3,227	15,506	3,280	0	125	16,785
Women and Infants Hospital (Care New England)	9,360	71,821	1,743	8,291	247	24,333

Source: *Hospital Association of Rhode Island ("HARI") Year End FY2025 Utilization Statistics. Licensed beds provided by HARI to the Rhode Island Senate Special Commission to Analyze and Make Recommendations Regarding Tax Exempt Properties in Rhode Island.*

Services

Located in a growing geographic area of the state, South County Health serves a year-round population of approximately 300,000 residents, in addition to approximately 17,000 URI students and a population that significantly increases in the height of the summer tourist season.

Inpatient Services

- Surgical services with a broad array of general and specialty services including orthopedics, general surgery, urology, gynecology, and other subspecialties
- Medical services including general medicine, cardiology, gastroenterology, pulmonary, and other subspecialties
- Intensive/critical care unit with dedicated intensivist physicians
- Maternity wing with single-room-service (labor, delivery, recovery, and post-partum)
- Diagnostic imaging center featuring state-of-the-art imaging technology
  - (see "Outpatient Services" below for list of diagnostic imaging modalities)
- Hospitalist service in which the Hospital employs a dedicated physician group to attend to inpatients

Outpatient Services

- State-of-the-art emergency department
- Outpatient diagnostic imaging center
  - Magnetic resonance imaging ("MRI"), computerized tomography ("CT") scan, nuclear medicine, ultrasound, vascular imaging, and x-ray
  - Women's imaging center, including digital mammography, bone densitometry, and breast health services
- Laboratory services with outpatient draw stations throughout the service area

- Radiation therapy services
- Diagnostic cardiac catheterization and interventional radiology services (may also include inpatient-level procedures)
- Cardiopulmonary rehabilitation program
- Occupational health services
- Nutrition consulting services
- Endoscopy center
- Wound care center
- Anticoagulation management clinic
- Oncology & Infusion therapy center
  - Medical oncology, chemotherapy, blood transfusions, and other intravenous medication therapies for gastrointestinal and rheumatologic diseases
- Medical & Wellness Centers
  - Multi-specialty employed medical group with physician and advanced practice provider expertise in primary care and family medicine, OB-GYN, Urology, general surgery, breast and oncologic surgery, nephrology, infectious diseases, and hospitalist medicine
  - Express Care/Walk-in facilities located in Westerly, East Greenwich, and Warwick

Services Provided by Entities Owned Partly by the Hospital

- Positron emission tomography (“PET”) imaging delivered in off-campus locations

Education and Support Services

- Cancer support program
- CPR programs
- Diabetes management program
- Flu, COVID-19, and pneumonia vaccine programs
- Maternity and parenting programs
- Nutrition and diet counseling program
- Travel clinic

The table on the following page provides a summary of inpatient and ancillary service statistics for the three fiscal years ended September 30, 2023 through September 30, 2025 and the ten months ended July 31, 2025 and 2026:

[*Table on next page*]

Utilization Statistics

SOUTH COUNTY HEALTH Utilization Statistics						
	For the Fiscal Years Ended September 30,				**Ten Months Ended July 31,**	
	2023	**2024**	**2025**		**2025**	**2026**
Inpatient Routine Service Statistics:						
% Occupancy	67.3%	65.2%	63.9%		64.8%	69.3%
Adult & Pediatric Days	18,813	19,132	19,018		15,881	17,665
Surgical Discharges	1,133	1,167	1,103		924	1,016
Medical Discharges	3,231	3,363	3,255		2,683	2,963
Deliveries	710	723	697		576	551
Total Adult & Pediatric Discharges	5,074	5,253	5,055		4,183	4,530
A LOS (Medical)	3.86	3.87	3.83		3.84	3.94
A LOS (Surgical)	3.64	3.86	4.00		4.00	3.85
Outpatient Ancillary Statistics:						
Total Observation Cases	4,140	3,581	3,371		2,820	2,649
Laboratory Tests	544,247	530,166	499,904		412,418	461,750
X-Ray Procedures	32,618	32,121	33,944		28,588	27,208
Interventional Radiology	602	711	708		581	865
Mammography Procedures	15,812	16,195	16,286		13,746	14,743
MRI Procedures	2,842	3,072	3,308		2,688	3,238
Ultrasound	16,485	15,332	16,329		13,385	15,010
CT Scan	19,528	20,042	20,020		16,326	17,315
Operating Room	5,507	5,075	4,873		5,046	5,156
Endoscopy	5,012	5,051	5,067		4,245	4,356
Emergency Room	27,870	28,300	27,707		22,711	23,041
Express Care	41,553	46,195	46,501		38,549	40,271
Wound Care Center	5,235	4,991	5,429		4,273	5,343
Physician Practices Visits	172,687	145,145	135,361		150,208	165,391
Infusion Therapy	7,267	6,924	5,814		4,787	6,129
Cardiac Cath Procedures	280	238	186		162	131
Radiation Therapy Procedures	5,408	5,526	4,531		3,727	4,052

Affiliations

The Hospital is the sole member of South County Home Health, a licensed and Medicare-certified home health agency that provides approximately 46,000 home health visits per year. In addition, the Hospital is the sole owner of Silver Spring Health Care Management, a for-profit holding corporation, and the sole manager of Ocean View Health Venture, LLC ("Ocean View"), a limited liability company whose sole member is South County Health which was formed for leasing of the Medical Office Building on the Hospital campus (See "**Governance**").

In 2003 the Hospital became a member of a limited liability company named Rhode Island PET Services, LLC ("PET LLC"). This collaborative agreement among four not-for-profit, acute care hospitals in Rhode Island with Alliance Imaging, Inc., a for-profit provider of diagnostic imaging services, provides a mobile PET imaging service to the respective hospital communities. PET LLC provides PET imaging services to patients under a separate health care facility license.

Also in 2003, the Hospital acquired a 32% interest in a limited liability company named South County Radiation Therapy, LLC ("SCRT"). The other member of SCRT, with a 68% interest, was Radiation Therapy Services, Inc., a Florida corporation. The Hospital leased land on the Hospital's campus to SCRT, which constructed, and obtained health care facility licensure for, a radiation therapy facility. SCRT began evaluating and treating patients with radiation therapy in September 2005. In 2022, South County Health acquired SCRT in its totality and reopened it under South County Health's sole ownership after months of renovations and significant technology upgrades.

The Hospital maintains a self-insurance trust which insures the Hospital's professional and general liability primary layer of coverage with limits of $5 million per occurrence and $10 million annual aggregate. Additionally, the Hospital purchases an additional $20 million of excess coverage in the commercial marketplace.

Licensure, Accreditation, and Recognition

The Hospital is licensed by the DOH to operate 100 beds, 8 of which are intensive care beds and the remaining 92 of which are medical/surgical beds, including pediatrics and obstetrics/gynecology.

South County Health is nationally recognized for delivering exceptional quality, safety, and patient-centered care. The Hospital is the only hospital in the Northeast and one of just 19 hospitals nationwide to have earned 5-Star Ratings from the Centers for Medicare & Medicaid Services (CMS) for both Overall Hospital Quality and Patient Experience. Today, the Hospital holds a 4-Star Overall Hospital Quality Rating from CMS—the highest rating achieved by any hospital in Rhode Island—and has also earned a 5-Star Rating for Home Health Patient Experience. In addition, the Hospital has ranked among the top 7% of hospitals nationally for patient experience based on H-CAHPS survey results.

South County Health's commitment to excellence has also earned 11 Leapfrog "A" Hospital Safety Grades since 2018. South County Health has also achieved the Healthgrades Outstanding Patient Experience Award, and 5-Star ratings for both Vaginal and Cesarean Delivery. These achievements reflect the dedication of providers, staff, and volunteers to delivering safe, compassionate, and high-quality care while fulfilling our mission of being Rhode Island's Most Trusted Health Partner.

South County Health has also earned The Joint Commission's Gold Seal of Approval for Hospital Accreditation by demonstrating continuous compliance with its performance standards. The Gold Seal of Approval is a symbol of quality that reflects an organization's commitment to providing safe and effective patient care. Additionally, the Hospital's Center for Advanced Orthopedic Surgery, a collaboration between South County Health and Ortho Rhode Island, has earned The Joint Commission's Gold Seal of Approval® for Advanced Total Hip and Knee Replacement Certification by demonstrating the highest standards for quality and safety in joint replacement procedures.

In 2023, South County Health's Radiation Therapy program was awarded accreditation from The American College of Radiation Oncology ("ACRO"). South County Health is one of only approximately 300 practices nationwide to receive this prestigious accreditation. ACRO accreditation is a voluntary process in which professional peers use identified standards indicative of a quality practice, and an audit is conducted to assure that these standards are followed.

The Hospital has also been named a 2025 Castle Connolly Top Hospital for Spine Surgery, placing it among the top 25% of hospitals nationwide for excellence in spine care.

Corporate Compliance

The Hospital devotes significant resources to its Corporate Compliance Program (the "Program"). The Program is a system-wide initiative consisting of standards of conduct, a confidential disclosure program, general compliance policies, internal and external auditing, monitoring and reporting, employee training (beginning at new employee orientation), and an employee response line. The Program promotes full compliance with applicable laws and ethical conduct. The Program addresses issues such as patient billing and claims, patient confidentiality, state law compliance, and other topics. The Compliance Officer, with the guidance of the Compliance Committee, has lead responsibility for the Program. The South County Health Audit and Regulatory Compliance Committee of the Board of Trustees receives a report at least annually from the Compliance Officer, and evaluates and recommends the compliance plan for the forthcoming year to the Board of Trustees.

Existing Facilities

The Hospital facility, as depicted in the following graphic, is located on a campus of approximately 17.5 acres in the Wakefield area of South Kingstown and contains approximately 380,000 square feet of enclosed space. It consists of the original hospital structure built in 1924 plus several subsequently constructed wings. The original structure, called the Sturges Building, no longer houses patients. It is a three-story, wood frame building with a brick exterior. Today, it provides space for Hospital administration, human resources, a medical staff office, information systems, medical coding, and other services. An addition to the Sturges Building houses the Potter Conference Center, which has flexible partitions to accommodate up to 200 people.

[*A map depicting the Hospital facility on next page*]

The T. G. Hazard Memorial Wing ("Hazard Wing") is a two-story concrete building with brick exterior attached to the Sturges Building that houses the former main entrance to the Hospital, a staff respite area, health information management, and administrative resources on the first floor. The second floor, once a 14-bed inpatient unit, currently houses the information technology department. The ground floor of the Hazard Wing accommodates nursing education and simulation offices, support services (i.e., mail room, copy center, and biomedical engineering) and equipment storage space.

The Borda Wing is a two-story concrete building with brick exterior attached to the Hazard Wing. The ground floor of the Borda Wing is a 10-bed overflow unit dedicated to transitioning patients from the emergency department into an inpatient setting. It also has the capacity to accept surgical patients during times of high inpatient census. The lower level currently houses the Behavioral Health Holding Unit, which includes six rooms renovated to create a safer environment for patients awaiting higher-level behavioral health care, staffed by an APRN Behavioral Health Specialist. Future plans for Borda Wing ground floor may include up to a 15-bed Acuity Adaptable Unit capable of treating patients of all acuity types, including medical, surgical, and patients requiring respiratory isolation, which will allow the Hospital greater flexibility to respond to spikes in acuity, seasonality, and future pandemics.

The Read Wing is a three-story concrete building with brick exterior. The first floor continues to house an 8-bed Intensive Care Unit. The second level of Read Wing, known as Women's Wing, is dedicated to maternity, obstetrics, newborn care, and other women's healthcare. The ground floor of the Read Wing houses the system's Cancer Center and Infusion Departments along with Cancer Center clinical and administrative support staff.

The Hospital also owns a three-story Medical Office Building ("MOB") at 70 Kenyon Avenue on the campus, attached to the Read Building. The MOB was completed in 1998 and has undergone significant renovations. Following a major reconfiguration beginning in 2021, the first floor now houses the Center for Advanced Orthopedic Surgery, a 14,000 square foot space created in collaboration with Ortho Rhode Island, which opened in the summer of 2022. The MOB is also home to Care New England Cardiology, the Center for Women's Health (OB-GYN and Lactation Program), Diagnostic Imaging (including 3D mammography, bone density testing, and ultrasonography), General Surgery, Laboratory Services, Nephrology & Hypertension, Urology, Vascular Surgery (The Vascular Experts RI), Wound Care, the Cardiac and Pulmonary Rehabilitation program, and an Anticoagulation Clinic. The building has free parking for patients and tenants.

In February 2004, the Hospital completed construction on a two-phase, approximately 44,000 square foot addition. The first phase was the completion of a new emergency department. The emergency department has undergone extensive renovations, resulting in a redesigned waiting room that is larger and more comfortable, a fast-track system that triages patients at the door and efficiently directs them to the appropriate level of care, and the installation of air-cleansing technology with a negative pressure air flow system to reduce the risk of transmitting airborne respiratory diseases. The basement of the emergency department houses the clinical laboratory as well as office and conference space.

The second phase of the construction included a new outpatient diagnostic imaging center, with a new main entrance and lobby. The diagnostic imaging center includes CT scanning, MRI, digital x-ray rooms, a fully renovated (2026) interventional radiology and cardiac catheterization suite, and nuclear medicine. All modalities are connected via the Picture Archiving and Communications System ("PACS"), which permits the radiologist and treating physician to see digital images as soon as the exam is complete. The approximate 30,000 square foot basement of the building houses the inpatient pharmacy, diagnostic imaging, and the building's mechanical systems. The Hospital has seven operating rooms, including OR-7, the largest operating room, which was specifically designed to accommodate the Hospital's da Vinci Xi robotic surgery technology. In addition, the Hospital's Endoscopy Suite has been completely renovated to create a procedure area that is larger, brighter, and better equipped for colorectal screenings and gastrointestinal procedures.

The Frost Family Pavilion, a three-story 60-bed inpatient facility, was completed in January 2008. It attaches to the Borda Wing and shares a service elevator with that building that vertically integrates the basement ancillary services (Lab and Pharmacy) with ground floor surgical service and emergency department to the inpatient units. An enclosed pedestrian bridge connects to the Read Wing for access to Women's Wing on Read 2 and the ICU on Read 1. The Hospital's main entrance lobby has been renovated to include the Healing Grounds Café, offering breakfast and lunch grab-and-go food options along with coffee and espresso beverages, and a permanent gift shop located adjacent to the courtyard and Balise Entrance. A new West Entrance, the Balise Entrance, made possible by a generous donation from The Balise Family, provides a convenient entry point with a seating area and respite space.

There are two other structures on the Hospital's campus. One, the Bacon House, a two-story, approximately 11,600 square foot building, was originally built in 1926 as a nurses' residence and has been renovated to accommodate administrative services. The second is the South County Health Radiation Therapy facility at 142 Kenyon Avenue, which is now fully owned and operated by South County Health as a department of the Hospital. Following a complete renovation and technology upgrade completed in March 2022, the facility features a state-of-the-art Varian TrueBeam Linear Accelerator, a GE Optima 16-slice CT Simulator, and advanced imaging options including 3D conformal, IMRT, VMAT, IGRT, 4D simulations, deep inspiratory breath hold, and stereotactic ablative radiotherapy (SABR). South County Health is one of only five radiation therapy facilities in Rhode Island, and the only such facility in Washington County. The Radiation Therapy program received a three-year accreditation from ACRO in 2023 (see "LICENSURE AND ACCREDITATION").

In addition to the Hospital campus, South County Health operates three Medical and Wellness Centers and additional satellite offices. The Medical and Wellness Center in East Greenwich, a 32,000 square foot facility located at 3461 South County Trail (Route 2), offers Express Care, Primary Care, Specialty Care including a Cancer Center, Center for Women's Health, Dermatology, Gastroenterology, General Surgery, Nephrology, Orthopedics, Outpatient Lab, and Diagnostic Imaging. The Medical and Wellness Center in Westerly, a 32,000 square foot facility located at 268 Post Road (Route 1), opened in 2016 and offers a similar array of services including Express Care, Primary Care, Center for Women's Health, Dermatology, Diagnostic Imaging, Gastroenterology, and Laboratory Services. The Medical and Wellness Center in Warwick, a 14,000 square foot facility located at 120 Centerville Road, opened in February 2022 and offers Express Care, Primary Care, Center for Women's Health, Diagnostic Imaging, and Outpatient Labs. South County Health also operates Primary Care offices at 14 Woodruff Avenue in Narragansett (a 5,000 square foot facility) and a Newport office at 38 Powel Avenue (offering Urology and OB-GYN).

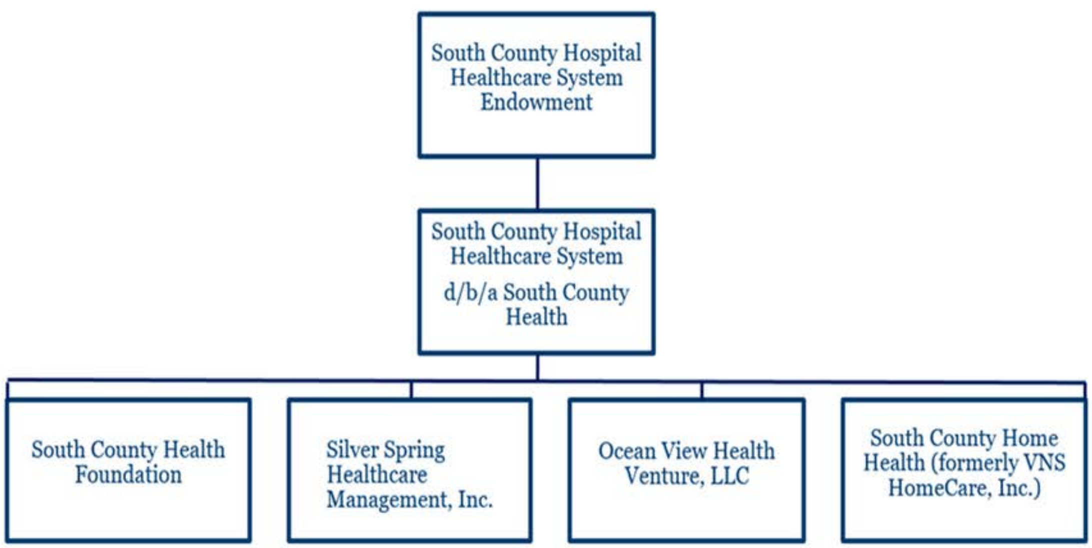
Governance

South County Health's Board of Directors manages the property, affairs, and business of South County Health and exercises all of the powers of South County Health except those powers specifically conferred to the Endowment by law, the South County Health Articles of Incorporation, or the South County Health bylaws . The Endowment, a non-profit corporation organized and existing under the laws of the State of Rhode Island, is exempt from federal taxation under Section 501(c)(3) of the Internal Revenue Code. The Endowment is the sole member of

South County Health. The Articles of Incorporation of the Endowment provide that the Endowment "shall operate solely for the benefit of South County Health and its affiliated organizations, including medical centers, health care centers, nursing centers, laboratories, clinics and other medical, surgical, or dental facilities, in the conduct of their charitable, educational, and scientific functions."

South County Health is the sole member of South County Home Health ("SCHH"), a non-profit corporation organized and existing under the laws of the State of Rhode Island. SCHH is exempt from federal taxation under Section 501(c)(3) of the Internal Revenue Code. Additional affiliates of South County Health include Silver Spring Healthcare Management, Inc. and Ocean View, and South County Health Foundation, each of which is wholly owned by South County Health. Silver Spring Healthcare Management, Inc.is a for-profit holding company used for professional billing of services rendered by South County Medical Group providers. Ocean View is a limited liability company whose sole member is South County Health, and whose primary purpose is to lease the medical office building located on the Hospital campus to provide for medical service access, efficiency and quality to the community. South County Health Foundation is a not-for-profit corporation organized with the sole purpose of supporting the philanthropic needs of South County Health.

The following organizational chart shows the relationship among the various South County Health entities:



Presently, the same individuals serve on the Board of Trustees of each of the Hospital and the Endowment. The following are the current Trustees of the Hospital and the Endowment, their offices (if any), principal occupation, and expiration of term (See "Board of Trustees"):

Current Trustees of South County Health and the Endowment	
Name	**Occupation**
Joseph F. Matthews, Chairman	Retired – President, Maxson Aviation
James L. Farrell, Vice Chairman	Retired – Senior Vice President, Portfolio Management, Private Advisory Services, U.S. Trust
Noah Benedict, MHL, Secretary	President/CEO, Rhode Island Physicians Corporation Primary Care
Eric Norberg, Treasurer	CEO, Vertikal6
John Howland	Retired – CEO, Bradford Soap Works
Rogean B. Makowski	Retired – Sr. Managing Director Fiduciary Services, Webster Bank
Austin C. Smith	Retired – Partner, Standish, Ayer and Wood (Standish Mellon Asset Management)
James Stone	Retired – Managing Partner, Seaview Capital LLC
Victoria A. Wicks	Retired – Strategic Planning Consultant, Empower Success Corps
Barbara Wolfe	Provost and Executive Vice President for Student Affairs, University of Rhode Island
Amy Walsh	Executive Director, Commercial & Investment Banking, JPMorgan Chase
Ex Officio Members	
Aaron Robinson, President & CEO	Hospital Administrator
Peter F. Graves, MD, MBA, President of the Medical Staff	Physician
Sidney Migliori, MD, Vice President of the Medical Staff	Physician

Standing committees established by the South County Health's and Endowment's bylaws and their current chairpersons are as follows:

Standing Committees and Chairpersons
Executive Committee – Joseph F. Mathews
Finance and Investment Committee – James L. Farrell
Board Governance and Development Committee – Amy Walsh
Audit and Compliance Committee – Austin Smith
Executive Compensation Committee (South County Health Only) – Joseph F. Matthews
Quality and Safety Committee (South County Health only) – Joseph F. Matthews

The Executive Committee is composed of the principal officers of South County Health and has the authority to act for the South County Health Board of Trustees (the "Board" or the "Trustees") in all matters when it is impractical to defer action until the next regular or special meeting of the Board. The Finance and Investment Committee monitors South County Health's financial performance, financial planning, operational and capital budgeting, debt structure, and investment management, and establishes policy and performs oversight regarding South County Health's investment assets and retirement plans. The Board Governance and Development Committee develops and recommends governance policies and processes, reviews bylaws, and recruits and nominates candidates for the Board and officer positions. The Audit and Compliance Committee recommends policies and practices regarding South County Health's financial statements, internal controls, cyber security, and corporate compliance. The Executive Compensation Committee develops and recommends executive compensation policy and monitors compliance with applicable laws. The Quality and Safety Committee develops and recommends standards and policies regarding quality of care, patient experience, and safety of all operations. These committees meet periodically and, through their recommendations, assist the Board in the conduct of the business and affairs of South County Health and related entities.

Board of Trustees

The Board is responsible for managing South County Health's affairs. The Board consists of not less than seven nor more than eleven voting members. In addition, the President and CEO of South County Health is a member of the Board *ex officio*, non-voting, and the President and Vice President of the Medical Staff of South County Health are members of the Board, *ex officio*, with vote. No Trustees receive any compensation from South County Heath for their service on the Board. South County Health applies and follows the conflicts of interest policy recommended by the IRS for tax-exempt organizations. As a result, Trustees do not participate in discussion or voting on issues in which they have a direct or indirect personal financial interest.

Management

The management of South County Health consists of the President/Chief Executive Officer ("CEO") and nine other members of the Senior Leadership Team. Their background, education, and professional experience are noted below:

Aaron Robinson, President & CEO. Mr. Robinson became President and CEO of South County Health on April 1, 2019. He brings more than 20 years of diverse and progressive healthcare leadership experience in health systems and community hospitals. Mr. Robinson joined South County Health from Florida, where he served as CEO of three Community Hospitals and as System Service Line Executive for Heart & Vascular services at Health First, a $2 billion fully integrated delivery network of hospitals, a multi-specialty medical group, post-acute and wellness services, and a health plan located in Rockledge, FloridaPrior to Health First, Mr. Robinson began his leadership career at SSM Health Care, an $8 billion multi-hospital system headquartered in St. Louis, where he served in service line development and hospital operations as VP of Operations for SSM's 410-bed St. Joseph Health Center. Mr. Robinson holds an MBA from Lindenwood University in St. Louis and a BS in Physical Therapy from the University of Missouri-Columbia. He has served on numerous community and industry boards.

Anitra L. Galmore, DNP, BSN RN, MS, NEA-BC, Vice President & Chief Operations Officer/Chief Nursing Officer. Dr. Galmore is a healthcare executive with more than 25 years of experience in health services, with a focus on improving patient care and operational efficiencies. She joined South County Health in April 2020 and oversees global operations for the health system, which features 1,600+ employees across seven ambulatory care sites and the Hospital. Prior to joining South County Health, Dr. Galmore was Vice President of Nursing/CNO at SSM Health St. Joseph in St. Charles, MO, and SSM Health in Wentzville, MO, where she expanded bottom line margin by more than $7 million. Dr. Galmore earned a Doctorate of Nursing (DNP) from Saint Louis University in 2023, a Master's in Health Administration from Lindenwood University in 2011, and a Bachelor of Science in Nursing from Webster University in 2009. She holds Advanced Nurse Executive Certification and Bronze and Silver Certifications in Lean Methodology. In 2024, Dr. Galmore was named Providence Business News' Health Care Service Industry Leader as part of their Business Women Award program.

Paul Golino, Chief Financial Officer. Mr. Golino, having recently joined South County Health, will be responsible for the organization's financial strategy, accounting, budgeting, revenue cycle, reimbursement, managed care contracting, and financial reporting functions. Mr. Golino brings more than 20 years of healthcare finance leadership experience, having previously served as Vice President of Finance and Managed Care and as Chief Financial Officer of major Connecticut-based health systems. Throughout his career, he has led financial operations for complex healthcare systems encompassing acute care hospitals, physician organizations, outpatient services, and affiliated healthcare enterprises, while overseeing major strategic initiatives including enterprise resource planning and electronic medical record implementations, managed care optimization, and operational performance improvement programs. Mr. Golino has extensive experience in healthcare financial management, strategic planning, payor contracting, and organizational transformation across both nonprofit and for-profit healthcare environments. He holds a Master of Business Administration from the University of Hartford and a Bachelor of Arts from the University of Connecticut.

Kevin P. Charpentier, MD, MBA, Vice President, South County Medical Group & Chief Medical Officer. Dr. Charpentier was named Vice President of the South County Medical Group and Chief Medical Officer in July 2022. A proven leader in healthcare, Dr. Charpentier brings extensive clinical and leadership experience in service line development, network integration, physician recruitment, profit and loss management, regulatory compliance, and clinical and translational research. He received his medical degree from Tufts University School of Medicine and his Masters of Business Administration from the Isenberg School of Management at the University of Massachusetts Amherst.

Ian Clark, MPH, Vice President, Performance Excellence and Strategy. Mr. Clark is responsible for South County Health's strategy development and performance excellence efforts, facilitating achievement of key strategic initiatives, including service line growth and development, and geographic expansion opportunities. Mr. Clark's healthcare career began with the Connecticut Department of Public Health where he worked to identify unmet demand for secondary preventative care services. He transitioned to healthcare directly, incorporating his statistical background into evidence-based process improvement and business development efforts in Rhode Island-based health systems. Mr. Clark joined South County Health in 2015, and earned his Master's in Public Health from the University of Connecticut, where he concentrated in applied public health practice focusing on epidemiology and biostatistics.

Angie Mathieu, Vice President & Chief Digital Officer. Ms. Mathieu joined South County Health as Vice President and Chief Digital Officer in February 2020, bringing over 25 years of healthcare information technology experience in community hospital and health system settings. In her role Ms. Mathieu is responsible for executing the healthcare system's digital health strategy which includes implementing transformational informational technology initiatives to improve healthcare quality, digital connections to consumers, cost effectiveness, and business development. Prior to joining South County Health Ms. Mathieu worked at Hartford Healthcare for 21 years where she held several leadership roles. She spent 16 of those years at Backus Hospital supporting many digital transformation initiatives, including the implementation of the hospital's very first fully integrated EHR. Ms. Mathieu was part of the transition team when Backus joined the Hartford Healthcare network in 2014. At Hartford Healthcare she became a System Director, supporting key strategic information technology initiatives including the transition to a single EHR and ERP system for the enterprise. Ms. Mathieu holds a BS degree in Business Administration with a concentration in Management Science and Information Systems.

Maggie Thomas, Vice President & Chief Human Resources Officer. Ms. Thomas has led South County Health's people strategy as Chief Human Resources Officer since 2004. Her oversight of the human resources function includes talent acquisition, staff engagement, compensation, benefits, staff wellness, organizational development, labor relations, and volunteer services. Ms. Thomas holds a Bachelor's degree from Fitchburg State University and her SPHR national certification.

Gaspare Calvaruso, Vice President of **Access & Ambulatory Services.** Mr. Calvaruso brings deep experience in medical group operations and hospital leadership to support rapid improvement in key strategic areas, most recently serving as President of Capital Region Medical Center in Jefferson City, Missouri. He previously served as President of SSM St. Joseph Health Center in St. Charles, Missouri, and as SSM Health's Service Line Executive for oncology in the St. Louis market. He holds an undergraduate degree from the University of Missouri–St. Louis and an MBA from William Woods University.

Andrew Prescott, Esq., General Counsel. Mr. Prescott joined South County Health as General Counsel in August 2021. Before coming to South County Health, he practiced in the areas of labor and employment law, litigation and alternative dispute resolution, zoning and land use, and non-profit corporate governance. Mr. Prescott had been a counsel, partner, and Providence Office Managing Partner at Nixon Peabody prior to joining South County Health. As a member of the Senior Leadership Team, Mr. Prescott oversees the organization's legal and compliance matters. He also co-chairs South County Health's Diversity, Equity and Inclusion Committee. Mr. Prescott is a graduate of Washington & Lee University School of Law where he earned a Juris Doctorate. He is admitted to practice in both Massachusetts and Rhode Island.

Medical Staff

The Medical Staff of the Hospital is divided into Active, Affiliate, and Honorary categories. There are three subcategories of Active Medical Staff: Active Admitting, Active Referring, and Active Consulting.

The Active Admitting Staff consists of those physicians who regularly serve patients in the Hospital, who are located in close proximity to the Hospital to provide continuous care to their patients, and who assume all the functions and responsibilities of membership on the Active Medical Staff including, where appropriate, emergency service care and consultation assignments.

The Active Referring Staff consists of physicians who have arranged for the Active Admitting Staff to provide in-patient care for their patients. They otherwise assume all the functions and responsibilities of membership on the Active Medical Staff. They provide outpatient care to unassigned patients on a rotation basis once these patients are discharged.

The Active Consulting Medical Staff consists of physicians of recognized professional ability who have signified willingness to provide services upon the request of any member of the Active Staff. They do not have primary responsibility for patient care, i.e. Active Consulting Staff members do not have admitting privileges or (except in special circumstances) primary surgical privileges.

The Affiliate Staff consists of persons with advanced degrees or specialized training in clinical areas which are adjunctive to, and complement, the work of the Active Staff as determined by the Medical Staff Executive Committee. This staff may act independently of the Active Medical Staff. These staff members may include, but not be limited to, psychologists, audiologists, and speech pathologists.

The Honorary Medical Staff consists of practitioners who are not active in the Hospital or who are honored by emeritus positions. These may be physicians or other practitioners who have retired from active practice, or who are of outstanding reputation, and not necessarily residing in the local community. Honorary Staff members are not eligible to treat patients, to vote, or to hold office.

As of May 2026, the Hospital's Medical Staff consisted of 272 Active Staff physicians. Of these 272 physicians, 85% were Board Certified. As of May 2026, the average age of the physicians on the Hospital's Active Medical Staff was 51 years.

Active (Status) Medical Staff - Detail Report as of May 2026			
Area of Practice	**Active Staff # of Physicians**	**Percent Board Certified**	**Average Age**
Anesthesiology	17	94%	53
Cardiology	7	100%	55
Diagnostic Imaging	86	92%	49
Emergency Medicine	17	82%	45
Family Practice	8	100%	55
Gastroenterology	10	100%	55
General and Vascular Surgery	17	88%	48
Hematology/Oncology	4	100%	54
Hospitalists	18	94%	52
Internal Medicine	19	89%	60
Interventional Radiology	8	100%	54
Nephrology	9	88%	45
Neurology	1	100%	65
Neurosurgery	0	0%	0
Obstetrics/Gynecology	5	100%	47
Ophthalmology	1	100%	65
Oral Surgery	1	0%	62
Orthopedic Surgery	17	88%	52
Otolaryngology	0	0%	0
Pathology	3	100%	56
Pediatrics	6	100%	57
Plastic Surgery	1	100%	72
Podiatry	3	100%	56
Pulmonary Medicine	4	100%	52
Rheumatology	2	100%	56
Urology	8	100%	51
Total	**272**	**93%**	**51**

Source: Hospital records

The table below provides the Hospitalist admissions according to service line:

Service Line	2023	2024	2025	Ten months Ended July 31 2025	Ten months Ended July 31 2026
Medical Admission	3,231	3,363	3,255	2,683	2,963
Surgical Admission					
Orthopedics & Spine	720	717	641	525	607
Urology	83	100	90	73	87
General Surgery	238	266	308	276	256
Other	92	84	64	50	66
Deliveries	710	723	697	576	551

Source: Hospital records

Educational Programs

South County Health maintains clinical affiliations with URI's College of Nursing, Physical Therapy, Exercise Physiology and Pharmacy programs which allow URI students to receive clinical training at the Hospital. The Hospital also has clinical affiliations with Rhode Island College and the Community College of Rhode Island ("CCRI") through which their nursing students and CCRI's respiratory therapy and radiology students obtain clinical training at the Hospital. The Hospital also maintains a clinical affiliation with the Massachusetts College of Pharmacy under which pharmacy students obtain clinical training at the Hospital. The Hospital is also affiliated with the New England Institute of Technology's surgical technician training program. The Hospital has no affiliations with any medical school presently, but is looking forward to collaborating with URI on future offerings as URI plans to develop a med school admitting students during the Fall 2029 semester.

Employed Staff

As of May 2026, the Hospital employs 883.6 full-time-equivalent ("FTE") personnel consisting of 222.7 FTE nurse professionals, 210.7 FTE medical technicians, 93.3 FTE management, 30.8 FTE physicians, 44.2 FTE advance practice practitioners (*i.e.* APRNs, PAs, etc.), 79.1 FTE other professionals and 202.8 FTE nonprofessionals.

South County Home Health employs approximately 63.0 full-time-equivalent ("FTE") personnel consisting of 19.0 FTE nurse professionals, 2.4 FTE medical technicians, 3.0 FTE management, 26.6 FTE other professionals and 12.0 FTE nonprofessionals.

The Hospital maintains a compensation package of salaries, wages, and benefits that is competitive with the industry and local market. Employee fringe benefits include medical and dental insurance, life insurance, disability insurance, an employee assistance program, tuition assistance, and paid time off.

The Hospital provides a 403(b) Defined Contribution Retirement Plan to its staff. The plan provides a 3.5% contribution by the Hospital, made on a quarterly basis after one (1) year and one thousand (1,000) hours of service. The benefit is cliff vested at three (3) years of employment (0% vested for the first three years and 100% vested after three years). South County Home Health employees earn a matching contribution to the 403(b) Defined Contribution Retirement Plan up to 3%, i.e., 50% on the first six percent contributed by the employee after one year and one thousand (1,000) hours of service. Vesting is consistent for both employers.

The Hospital also administers a defined-benefit pension plan that covers staff hired prior to October 1, 2003. The plan was frozen in 2010. The Hospital's funding policy is to contribute amounts to the plan sufficient to meet minimum funding requirements set forth in the Employee Retirement Income Security Act of 1974, plus additional amounts as the Hospital may determine to be appropriate. As of September 30, 2025, SCH Pension Plan accounting funded status is approximately 90%. Cash contributions are expected to be $0.8-1.3M per year over next five years before improvement in funded status reduces cash contribution requirements. The funded status of the plan, measured as of September 30, 2025, reflected plan assets valued at approximately $54.5 million and a projected benefit obligation of approximately $60.3 million.

No Hospital employee is represented by any labor union for the purpose of collective bargaining with the Hospital nor is Management aware of any organizing activities. The Hospital has implemented a strategic people philosophy focused on developing a culture of staff commitment and satisfaction. Management considers its relations with Hospital employees to be excellent.

Financial Information

The audited consolidated financial statements of the Endowment and its Affiliates as of and for the fiscal years ended September 30, 2025 and 2024 attached as Appendix L to this Official Statement have been audited by KPMG LLP, independent auditors, as indicated in their report therein, which expressed an unmodified opinion. KPMG LLP has not been requested to undertake, and did not undertake, any review or procedures with respect to any financial or operating information appearing in this Appendix B.

The following consolidated financial information for the Endowment and its Affiliates for each of the three fiscal years ended September 30, 2023, 2024 and 2025 was derived from the audited consolidated financial statements.

The unaudited consolidated financial information for the ten months ended July 31, 2025 and 2026 has been prepared by management of the Endowment and is derived from the financial records of the Endowment and affiliates. The unaudited financial information includes all adjustments, consisting of all normal recurring accruals that management considers necessary for the fair presentation of the financial position and results of operations for these periods. Unaudited results for the ten months ended July 31, 2025 and 2026 are not conclusively indicative of the results for the remainder of the year.

The financial information contained in Appendix B should be read in conjunction with the audited consolidated financial statements of the Endowment and related notes and independent auditor's report in Appendix L, which are incorporated by reference herein.

SOUTH COUNTY HEALTHCARE SYSTEM ENDOWMENT AND ITS AFFILIATES
Consolidated Balance Sheets
(dollars in thousands)

Assets	Audited As of September 30, 2023	2024	2025	Unaudited As of July 31, 2026
Current Assets				
Cash and cash equivalents	$11,989	$12,554	$13,085	$9,544
Board-designated investments	47,030	55,756	59,458	60,611
Patient accounts receivable	18,108	15,541	22,404	23,815
Current portion of pledges receivable	651	1,487	514	419
Inventories	4,761	5,152	5,158	6,428
Prepaid expenses and other current assets	6,280	8,795	5,944	7,188
Total current assets	88,819	99,285	106,563	108,005
Assets limited as to use				
Endowment assets internally designated by Board of Trustees	19,988	21,921	17,458	19,186
Assets held in trust	21,387	24,437	23,343	23,531
Donor restricted and other funds	9,468	11,395	7,471	7,527
	50,843	57,753	48,272	50,244
Right of use assts, net of amortization	15,809	13,860	12,080	10,688
Property, plant, and equipment, net	71,761	64,745	63,195	59,259
Pledges receivable, net of current portion	902	922	1,000	984
Fair value of swap agreements	1,362	694	742	905
Other assets	5,877	5,217	4,572	3,705
Total Assets	235,373	242,476	236,424	233,790
Liabilities and Net Assets				
Current liabilities				
Line of credit	2,000	—	—	—
Current installments of long-term debt	4,793	24,248	7,907	3,925
Accounts payable	13,721	12,830	15,106	14,670
Accrued expenses	14,646	14,662	17,649	18,477
Estimated third party payor settlements	3,624	4,070	1,572	603
Operating lease liabilities, current portion	1,907	1,711	1,610	1,625
Other current liabilities	20	81	20	20
Total current liabilities	40,711	57,602	43,864	39,320
Operating lease liabilities, non-current portion	13,996	12,317	10,707	9,355
Long-term debt, net of current installments	34,716	10,487	25,430	25,445
Accrued pension cost	11,303	9,840	6,122	5,192
Other liabilities	21,402	22,859	18,418	19,233
Total Liabilities	122,128	113,105	104,541	98,545
Net assets				
Without donor restrictions	96,813	109,313	114,519	117,248
With donor restrictions	16,432	20,058	17,364	17,997
Total net assets	113,245	129,371	131,883	135,245
Total Liabilities and Net Assets	$235,373	$242,476	$236,424	$233,790

Source: Hospital records and Appendix B

SOUTH COUNTY HEALTHCARE SYSTEM ENDOWMENT AND ITS AFFILIATES
Consolidated Statements of Operations and Changes in Net Assets without Donor Restrictions
(dollars in thousands)

	Audited For the Fiscal Years Ended September 30,			Unaudited For the Ten Months Ended July 31,	
	2023	2024	2025	2025	2026
Unrestricted revenues, gains, and other support					
Net patient service revenue	$236,794	$241,158	$231,970	$190,769	$209,068
Contributions	963	522	534	450	487
Other revenue	8,500	5,614	4,960	5,988	3,841
Total unrestricted revenues, gains, and other support	246,257	247,294	237,464	197,207	213,396
Expenses					
Salaries and wages	107,553	105,040	107,460	88,679	92,230
Fringe benefits	24,155	25,666	24,280	20,543	21,392
Supplies and other expenses	101,482	101,419	95,913	81,328	92,715
State license fee	6,233	5,027	5,079	4,188	4,425
Depreciation & amortization	11,328	10,877	10,261	8,402	7,534
Interest	1,769	1,909	1,718	1,417	1,160
Total operating expenses	252,520	249,938	244,711	204,557	219,456
Operating loss	(6,263)	(2,644)	(7,247)	(7,350)	(6,060)
Non-operating gains (losses)					
Investment income	2,039	2,324	3,495	954	4,681
Change in net unrealized gain on marketable investments	5,292	11,741	1,354	(1,423)	3,374
Unrealized gain in equity interests in limited partnerships	256	1,033	2,516	561	—
Unrealized gain (loss) on interest rate swap	358	(668)	48	75	163
(Losses) gains on disposal of fixed assets	51	178	(500)	(500)	—
Non service cost components of net pension cost	(441)	(289)	(336)	(502)	(383)
(Deficiency) excess of revenues over expenses	1,292	11,675	(670)	(8,185)	1,775
Change in funded status of employee benefit plans	4,294	103	2,352	—	—
Net assets released for capital expenditures	1,469	722	3,524	2,599	954
Change in net assets without donor restrictions	$7,055	$12,500	$5,206	($5,586)	$2,729

Source: Hospital Records and Appendix B

Management's Discussion of Recent Consolidated Financial Performance

Statement of Operations

Fiscal Year 2025 results were negatively impacted by the departure of multiple employed oncologists and primary care shortages within the Hospital's service area that led to depressed volumes. South County Health responded to these unmet community needs by rebuilding and growing the oncology service line. The Hospital has also made investments to meet community needs for primary care practices. These investments have resulted in some incremental losses in fiscal year 2026, however, they are expected to improve profitability in fiscal year 2027 and beyond.

South County Health's 2026 results are also negatively impacted by lower than expected revenue from State Directed Payments, increased bad debt from reduced health insurance, increased denials from payors and an unfavorable change in payor mix. South County Health has implemented programs to mitigate bad debt as taking the requisite legal steps to ensure that payors pay submitted claims as required under the payor agreements.

In response to these challenges, South County Health is working to improve its operating performance through a number of initiatives designed to improve patient revenues and reduce operating costs, including plans to increase volumes, combat payor bad behavior, and reduce the amount of bad debt. Management remains focused on strategies to reduce expenses and improve operating efficiency with daily adjustments to staffing focused to meet the demands dictated by patient volumes.

SOUTH COUNTY HEALTHCARE SYSTEM ENDOWMENT AND ITS AFFILIATES
Operating Cashflow
(dollars in thousands)

	Audited				Unaudited		
	For the Fiscal Years Ended September 30,				For the Ten Months Ended July 31,		
	2024	2025	change		2025	2026	change
Operating loss	($2,644)	($7,247)	($4,603)		($7,350)	($6,060)	$1,290
Adjusted for:							
Investment Income (loss)	2,324	3,495	1,171		954	4,681	3,727
Interest expense	1,909	1,718	(191)		1,417	1,160	(257)
Depreciation	10,877	10,261	(616)		8,402	7,534	(868)
Operating cashflow	$12,466	$8,227	($4,239)		$3,423	$7,315	$3,892

Source: Hospital records

Balance Sheet

The balance sheet has remained stable as investment returns have offset operating losses.

Historical Coverage of Maximum Annual Debt Service

The following table presents for the latest three fiscal years ended September 30, 2023, 2024, and 2025 and the ten month periods ended July 31, 2025 and 2026 the debt service coverage ratio for South County Healthcare Endowment and its Affiliates.

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SOUTH COUNTY HEALTHCARE SYSTEM ENDOWMENT AND ITS AFFILIATES **Debt Service Coverage** *(dollars in thousands)*					
	Audited For the Fiscal Years Ended September 30,			**Unaudited For the Ten Months Ending July 31,**	
	2023	**2024**	**2025**	**2025**	**2026**
Deficiency of revenues over expenses	$1,292	$11,675	($670)	($8,185)	$1,774
Plus: Depreciation & amortization	11,328	10,877	10,261	8,402	7,534
Interest	1,769	1,909	1,718	1,417	1,160
Change in net unrealized gain on marketable investments	(5,292)	(11,741)	(1,354)	1,423	(3,374)
Unrealized change rate swap	(358)	668	(48)	(75)	(163)
Unrealized change in equity interest in limited partnership	(256)	(1,033)	(2,516)	(561)	—
(Losses) gains on disposal of fixed assets	(51)	(178)	500	500	—
Non service cost components of net pension cost	441	289	336	502	383
Income available for debt service	$8,873	$12,466	$8,227	$3,423[(1)]	$7,314
Maximum Debt Service Requirement On all long-term debt**	$5,830	$8,758	$6,038	$5,032	$5,367
Debt service coverage	1.5x	1.4x	1.4x	0.7x	1.4x
*** Maximum debt service represents prorated amount for the ten month periods.*					

Source: Hospital records

(1) The September 30, 2025 financial statements recorded investment income that was earned and/or recorded that was not included in the results through ten months ending July 31, 2025.

Outstanding and Future Indebtedness

Upon issuance of the Series 2026 Bonds and the application of the proceeds thereof, South County Health will have no outstanding long-term indebtedness secured under its existing master trust indenture. South County Health's obligations to make payments under the Material Contracts, including the Capacity Charge and Monthly Refinancing Payment are unsecured contractual obligations and are not secured by any lien on or security interest in any assets or revenues of South County Health or its affiliates. Any valid lien securing future obligations of South County Health may have priority, as to the collateral securing such obligations, over claims arising from South County Health's unsecured contractual payment obligations under the Material Contracts.

As noted in the forepart of this Official Statement under the caption "THE ENERGY PROJECTS AND THE MATERIAL CONTRACTS", South County Health has covenanted that, during the term of the ERPA, it will not, without prior written consent of the Collateral Agent, discharge, amend or fail to comply with its obligations set forth in Article 6 of the Master Indenture, including without the covenant relating to the incurrence of additional debt. For purposes of calculating debt service coverage in connection with the additional debt covenant, the aggregate annual Base Capacity Charge and the Monthly Refinancing Payment payable by South County Health under the ERPA will be treated as indebtedness.

Fundraising

In 2019, South County Health launched the Trust & Transformation Campaign, a comprehensive capital campaign commemorating the organization's 100th anniversary while positioning the health system for its next century of service. The campaign was designed to modernize facilities, expand access to care, and strengthen critical clinical programs in response to evolving community healthcare needs.

To date, the campaign has raised more than $20 million in philanthropic support from community members and institutional partners. Campaign investments have funded significant infrastructure and clinical enhancements across South County Health, including renovations to the Endoscopy and Surgical Services departments, expansion and modernization of the Emergency Department, and the creation of a dedicated Behavioral Health Holding Unit.

Philanthropic support also enabled the development of a modernized Medical Office Building supporting advanced heart and vascular services, modernization of the Cardiac Catheterization Laboratory, and enhancements to the Radiation Therapy Department. In addition, donors played a vital role in the creation of the South County Health Community Cancer Center, bringing comprehensive cancer care services closer to home for patients throughout the region.

The final phase of the Trust & Transformation Campaign is the development of the Breast Health Center, which will complete a comprehensive Women's Health Center on the main hospital campus. This project represents the culmination of a multi-year investment strategy designed to strengthen access to coordinated, high-quality healthcare services for generations to come.

The success of the Trust & Transformation Campaign demonstrates the longstanding confidence that community stakeholders place in South County Health's mission, leadership, and strategic vision. Continued philanthropic support remains an important complement to operational revenues and financing initiatives, enabling South County Health to pursue transformative projects that enhance patient care and support long-term organizational sustainability.

Sources of Patient Service Revenue

South County Health maintains agreements with the Federal Medicare program ("Medicare") administered by the Centers for Medicare and Medicaid Services of the United States Department of Health and Human Services, Blue Cross and Blue Shield of Rhode Island ("Blue Cross"), United Healthcare of New England, Inc. ("United"), and other commercial payors for the provision of services to patients covered by these carriers. Additionally, South County Health maintains an agreement with the State under the Medicaid program.

The following table presents the distribution of gross patient service revenue of South County Health by payor source for each of the latest three fiscal years ended September 30 and the ten-month periods ended July 31, 2025 and 2026.

[*Table of Hospital's payor mix on next page*]

SOUTH COUNTY HEALTH Payor Mix					
	For the Fiscal Years Ended September 30			For the Ten Months Ended July 31 Unaudited	
	2023	2024	2025	2025	2026
Medicare	54.7%	56.6%	56.0%	55.8%	56.9%
Blue Cross	24.4%	23.4%	23.1%	23.2%	22.8%
Commercial/other	10.2%	10.2%	10.9%	10.9%	11.0%
Medicaid	9.9%	8.7%	8.6%	8.7%	8.1%
Workers Comp. Ins.	0.5%	0.6%	0.8%	0.8%	0.5%
Selfpay	0.3%	0.5%	0.6%	0.6%	0.7%
	100.0%	100.0%	100.0%	100.0%	100.0%

Source: Hospital records

Management's Discussion of Financial Performance and Utilization

The admissions in FY2025 were 4% lower than FY2024, however, the total number of admissions for the first ten months of FY2026 are 8% higher than the same ten months of FY2025. Medical admissions will always have some level of volatility based off regional health patterns. Surgical procedures have traditionally been moving from the inpatient setting to the outpatient setting. The growth in FY2026 reflects investments made by South County Health to grow overall surgical volume.

The number of births at the Hospital has averaged 710 for the last three years. There were 406 births through the first ten months of FY2026, down 4% from the same period in the prior fiscal year.

The Hospital-based OB/GYN physician practice added another physician at the beginning of the fiscal year bringing the practice to a total of five physicians to meet the needs of the community and allow for future growth. The deployment of the OB/GYN physicians has been expanded to additional areas to foster growth. The Hospital has also worked with the doula community to foster collaboration between traditional healthcare providers and non-traditional clinicians that have growing influence on women's choices.

Outpatient surgical volume declined 12% over the past three fiscal years as lower end orthopedic surgeries moved to the ambulatory surgical setting; however, surgical volume has shown modest growth in FY2026.

Emergency department volume has remained relatively stable over the last three years. The Hospital has worked to reduce wait times, which Management sees as a service line improvement that can increase future volumes.

Diagnostic imaging volumes have continued to increase for the more advanced services, such as interventional radiology, MRI and CT scanning. The wound care center continues to grow as the Hospital takes steps to expand this program.

Infusion therapy and radiation therapy volumes were negatively impacted by provider turnover in the oncology practice, which has since been resolved. The oncology practice is now fully staffed and South County Health has experienced significant growth in infusion therapy treatments. The expectation is that radiation therapy treatments will grow as the referral base increases.

The number of physician visits declined in FY2024 as cardiologists left employed practice. The same cardiologists continue to treat patients at South County Health. The Hospital is making additional investments in primary care, urology, general surgery and oncology that will generate additional physician visits in the coming years.

Litigation

Management is not aware of any litigation pending or threatened against the Hospital or Endowment, wherein an unfavorable decision would adversely affect the ability of the Hospital to meet its obligations under the Material Contracts.

EPIC Acquisition and Installation

South County Health intends to acquire EPIC's Garden Plot system. Garden Plot is a software-as-a-service, subscription-based platform where EPIC manages the cloud hosting and infrastructure support as well as automatic rollout of software feature updates. Costs for EPIC's Garden Plot include recurring monthly subscription fees and one-time costs associated with implementation. The monthly subscription fees cover licensing, cloud hosting, support, maintenance, and feature updates, while the one-time costs include implementation fees paid to EPIC as well as other one-time expenses related to new end user hardware, data conversions, integrations with third party systems, training and human resources to support the implementation. The estimated recurring Garden Plot subscription cost is $480,000 per month. The current estimated one-time costs are approximately $13.5 million (to be funded with the liquidity generated through the issuance of the Series 2026 Bonds). EPIC's Garden Plot subscription and one-time costs do not consider offsetting savings in existing software that may be discontinued upon implementation of EPIC's Garden Plot. The current projected timeline provides for South County Health to begin implementation of EPIC's Garden Plot in January 2027, with an estimated "go live" date of October 2027. South County Health expects implementation of EPIC's Garden Plot to yield significant benefits, including but not limited to, revenue cycle management, quality and safety of care, patient experience, and (medical) staff engagement.

Potential Partnership

South County Health has entered into a letter of intent to develop a healthcare partnership centered on creating an artificial intelligence ("AI")-powered administrative platform to reduce waste and administrative burdens. The proposed transaction reflects management's assessment that success in the current healthcare environment increasingly requires access to scale, non-traditional solutions, capital resources, novel revenue diversification strategies, and operational capabilities that are often unavailable to independent community health systems in the lower third of the healthcare market. The partnership is intended to preserve South County Health's local mission, community focus, and independent governance while positioning the organization to benefit from the financial and operational advantages associated with participation in a larger healthcare platform.

While the contemplated partnership affords access to capital, management expects the transaction will be self-funding through several complementary initiatives, including: (i) the development of a health transformation organization ("HTO") designed to leverage advanced AI-enabled technologies to reduce administrative complexity, reduce back-office inefficiencies and replicate many of the benefits of scale without needing to pursue a merger or acquisition; (ii) the establishment of a clinical relationship with one of the nation's largest health systems focused on developing healthcare AI solutions and advancing clinical protocols with the potential to generate new revenue streams; and (iii) implementation of Epic, a leading electronic health record platform, and other technology investments intended to enhance operational effectiveness, clinical integration, and revenues.

In addition to anticipated operating efficiencies and financial benefits, management believes the HTO may ultimately create opportunities to deliver similar solutions and attractive alternatives to other independent and/or subscale health systems nationwide facing similar dynamics. The proposed structure offers future systems opportunities to not only benefit from the increased efficiencies and modernization described above, but provide an ownership interest in the HTO, vesting these organizations in its ongoing success. Collectively, the goal of the HTO is to support improved operating performance, strengthen financial resilience, and reduce the risks associated with operating as a stand-alone healthcare organization.

The transaction is also expected to enhance South County Health's capacity to make strategic investments necessary to support future growth and maintain competitiveness within the regional healthcare market. Access to additional capital and operational resources may facilitate investments in facilities, technology, physician recruitment, workforce development, and service line expansion that could be difficult to undertake independently. Management expects the partnership represents not merely a response to current financial and operating pressures, but a long-term strategy to strengthen the organization's ability to sustain and expand healthcare services throughout Washington County, Kent County, and the broader U.S. healthcare market. The transaction is subject to various regulatory review and approvals, and no assurance can be given that the contemplated transaction will be completed or that, if completed, will provide the anticipated operating efficiencies and financial benefits to South County Health.

Insurance

South County Health maintains insurance with respect to its property, the operation thereof and its business against casualties, contingencies and risks in amounts that are customary in the case of corporations engaged in the same or similar activities and similarly situated. South County Health has claims-made basis policies in excess of the amounts retained by the Corporation for professional and general liability claims. Accruals for estimated professional liability losses is calculated with the assistance of consulting actuaries. South County Health believes that its insurance is adequate to protect its property and operations.

Bondholders' Risk Related to South County Health

The business of South County Health is subject to a number of risks and uncertainties, many of which are beyond its control. Such risks may cause actual operating results or financial performance by South County Health to be materially different from expectations, thereby affecting South County Health's obligations under the Material Contracts. The following describes certain risks that could affect some payments. This discussion of risk factors is not, and is not intended to be, exhaustive. Prospective purchasers of the Series 2026 Bonds should analyze carefully the information contained in the entirety of this Official Statement, including the Appendices hereto, and additional information in the form of the complete documents summarized therein, copies of which are available as described in the Official Statement.

Realization of Revenues Sufficient to Pay Its Obligations is not Guaranteed

South County Health's ability to realize revenues sufficient to pay its obligations is affected by and subject to many conditions that may change in the future to an extent and with effects that cannot be determined. South County Health's receipt of future revenues is subject to, among other factors: (1) federal and state laws, regulations, and other binding guidance, as well as executive actions, particularly those targeting the health care industry, (2) the policies of third-party payors, including governmental payors (e.g., Medicare and Medicaid) and commercial payors, (3) relationships with third-party payors and the maintenance of favorable third-party payor contracts, (4) future economic conditions, (5) the duration and scope of a pandemic or similar public health emergency and governmental, business, and public responses to such event, (6) health care reform efforts, including those that significantly alter the health care delivery system or related insurance markets, (7) increased competition from other health care providers, and (8) the capability of management of South County Health ("Management").

Future Legislation and Related Interpretative Guidance Could Adversely Affect Operations, Financial Condition or Tax-Exempt Status

Federal and state legislation is periodically introduced that may directly or indirectly affect the health care industry. The scope and effect of any such future legislation cannot be predicted, but may materially affect South County Health's operation, financial condition, or tax-exempt status. In addition to legislative proposals specifically discussed herein, examples of legislative proposals that could have an adverse effect on South County Health if they were to become law include: (1) laws limiting hospital revenues, reimbursement, costs or charges, (2) laws requiring an increase in the quantity of indigent care required to maintain federal or state tax-exempt status, (3) any changes in the taxation of nonprofit corporations or in the scope of their exemption from income or property taxes, (4) laws limiting the amount or availability of tax-exempt financing for corporations described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), (5) laws redefining or restricting the criteria for nonprofit hospitals to maintain tax-exempt status under the Code, (6) limitations on South County Health's ability to undertake capital projects or develop new services, (7) elimination of the exclusion of interest on tax-exempt bonds from gross income for all or some taxpayers, or (8) laws subjecting all or a portion of South County Health's income to federal or state income taxes or other tax penalties. Notably, in addition to legislation, federal and state rules, regulations, and other binding or interpretive guidance related to such legislation may also be periodically issued by federal and state regulators, both formally and informally, which could directly or indirectly affect the health care industry. The scope and effect of any such future rules, regulations, and other binding or interpretive guidance also cannot be predicted, but may also materially affect South County Health's operation, financial condition, or tax-exempt status. See also, "SHIFTING FEDERAL LANDSCAPE COULD HAVE SIGNIFICANT EFFECTS ON HEALTH CARE INDUSTRY" below.

Tax Reform Could Have Significant Effects on the Health Care Industry

General. Legislative proposals to eliminate or limit the benefit of tax-exempt interest on tax-exempt obligations have been made in the past, may currently be under consideration, and may be made again in the future. If adopted, any such proposal could alter the federal and/or state tax treatment described under the heading "TAX MATTERS" in the forepart of this Official Statement or could adversely affect the financial condition of South County Health. In addition, the adoption of any such legislation could significantly increase the cost to South County Health of financing future capital needs.

One Big Beautiful Bill Act. On July 4, 2025, President Trump signed into law legislation commonly known as the One Big Beautiful Bill Act ("OBBA") which, among other things, made the tax cuts contained in the Tax Cuts and Jobs Acts of 2017 permanent. To offset the costs of those tax cuts and other new expenditures contained in the law, the OBBBA includes various cost reduction initiatives, including significant changes to the Medicaid program and the ACA (defined and discussed below) designed to reduce federal Medicaid expenditures. The changes, should they go into full effect, are generally expected to result in a significant increase in the uninsured population due to a decrease in Medicaid enrollment and enrollment in ACA Insurance Exchange plans (defined below). Additionally, the Congressional Budget Office ("CBO"), per an August 4, 2025 letter to Congress, estimated that the OBBBA will increase the federal deficit by approximately $4.1 trillion over the 2025-2034 period. For a more detailed description of OBBBA Medicaid program changes, see "SOUTH COUNTY HEALTH IS DEPENDENT UPON THIRD PARTY PAYOR REIMBURSEMENT AND COULD BE ADVERSELY AFFECTED BY REIMBURSEMENT REDUCTIONS, DELAYS, OR FAILURE TO NEGOTIATE FAVORABLE CONTRACTS" below.

ACA Insurance Exchange Tax Credits. Pursuant to the American Rescue Plan Act of 2021, Congress temporarily expanded eligibility for enhanced premium tax credits ("EPTCs") available to individuals purchasing coverage through ACA Insurance Exchange (defined below) plans. In 2022, the Inflation Reduction Act extended such EPTCs through the end of calendar year 2025. The EPTCs expired on December 31, 2025. The CBO has projected that expiration of the EPTCs will result in a measurable rise in the uninsured population, with rural communities expected to experience the most significant disruption. If Congress passes legislation reinstituting the EPTCs in a similar or modified form, any resulting changes in coverage levels or payor mix could be material. See also, "HEALTH CARE REFORM COULD NEGATIVELY IMPACT FINANCIAL CONDITION" below.

Shifting Federal Landscape Could Have Significant Effects on Health Care Industry

The evolving economic, tax, immigration, and health care policies of the Trump administration could have a significant impact on the health care industry and South County Health. Since taking office in January 2025, President Trump has announced, revised, paused and enacted various tariffs and executive orders which could have far-reaching economic impacts on the health care industry. Tariffs may increase the costs of constructing new facilities and the costs of medical equipment, pharmaceutical products, and supplies. Example executive orders include those (i) directing the reduction of federal expenditures, including tasking the Department of Government Efficiency ("DOGE") with the reduction of funding for federal programs (including health care and research programs) and agency staffing, (ii) undoing certain prior federal initiatives in favor of the reduction of drug pricing and enrollment of individuals in ACA (defined and discussed in more detail below) health plans, (iii) reducing the number of federal regulations generally, including specifically repealing regulations the administration deems unlawful as a result Loper Bright Enterprises v. Raimondo the U.S. Supreme Court decision, (iv) scrutinizing diversity, equity and inclusion practices, and (v) prohibiting certain entities receiving certain federal research grants, including hospitals and medical schools, from providing gender affirming care to children. Additionally, policies of the Trump administration aimed at immigration reform have already and could continue to reduce the number of non-U.S. citizens currently working in and contributing to the U.S. health care industry. Implementation of these executive orders and policies may subject South County Health to increased costs, greater regulatory uncertainty, workforce shortages, reduced funding and reimbursement for services provided and additional regulatory scrutiny.

Shifts in leadership at executive agencies such as the U.S. Department of Health and Human Services ("DHHS"), the Centers for Medicare & Medicaid Services ("CMS"), the Department of Justice, and the Food and Drug Administration ("FDA"), and the creation of temporary executive commissions such as DOGE, may create uncertainty for health care providers around regulatory priorities, compliance matters, Medicare and Medicaid reimbursement and regulation, and other funding upon which providers may rely. Additionally, the administration's efforts promoting deregulation create uncertainties with the health care industry and are likely to lead to legal challenges. Further, efforts to help pay for increased deficit spending in the OBBBA include significant reductions to Medicaid funding as well as enhancements to health care fraud and abuse recovery programs. Any continued efforts to weaken or repeal the ACA or to further reduce federal expenditures could lead to a reduction in reimbursement or federal funds otherwise available to health care providers, a rise in uninsured patients, a related rise in the provision of charity care, and a corresponding financial strain on health care providers, particularly those serving low-income populations.

Pandemic or Public Health Emergency Could Adversely Impact Operations and Financial Condition

General. The occurrence of a public health emergency, including a pandemic similar to the COVID-19 pandemic, and governmental, business, and public responses to such emergency, may directly or indirectly affect the operations and financial condition of health care providers in a multitude of ways. For example, a public health emergency could result in an abnormally low or high demand for health care services, cause a decreased demand for elective procedures, require that resources be diverted from one part of operations to another part, disrupt the supply chain for necessary medical equipment and supplies, cause a clinical or non-clinical staffing shortage, or otherwise impair the operation of part or all of a health care provider's facilities. There can be no assurance that a future pandemic or other public health emergency will not result in material adverse consequences to the business or financial condition of South County Health. The extent to which government stimulus and support or business interruption insurance would be available in connection with a pandemic or other public health emergency is fact-dependent and there can be no assurance that any available government support or insurance coverage would be sufficient to cover losses.

COVID-19 Pandemic. The COVID-19 pandemic had significant negative effects on the economy generally as well as direct health care related consequences. The COVID-19 pandemic resulted in volatility in equity markets and the public markets for the issuance and trading of all securities. The COVID-19 pandemic caused business failures and cutbacks attributable to changes in market behavior, the complete effects of which are still unclear. National, state, and local governmental actions taken during the pandemic, including the passage of laws and regulations, caused substantial changes to health care delivery and how society in general functions and may have long-term consequences for the way health care services are provided generally.

The federal Provider Relief Fund ("Provider Relief Fund") made payments to eligible providers who diagnosed, tested, or cared for individuals with possible or actual cases of COVID-19 and had health care-related expenses and lost revenues attributable to the COVID-19 pandemic. Providers received automatic payments and/or applied for payments. Payments in excess of health care-related expenses or lost revenue attributable to the COVID-19 pandemic were required to be repaid. DHHS is actively auditing recipients of Provider Relief Fund funds to ensure compliance with the terms and conditions thereof. Failure to comply with such terms and conditions could result in recoupment, False Claims Act liability, or other penalty.

An Economic Downturn or Other Unfavorable Economic Conditions Could Negatively Impact Financial Condition

The U.S. economy is unpredictable. Economic downturns, volatility, and other unfavorable economic conditions have previously impacted the health care industry and health care providers' business and financial condition. If general economic conditions worsen South County Health may not be able to sustain future profitability, and its liquidity and ability to repay its obligations may be adversely affected. Broad economic factors—such as inflation, unemployment rates or instabilities in consumer demand and consumer spending—could affect South County Health's volumes and its ability to collect outstanding receivables. Other economic conditions that from time to time may adversely affect South County Health's revenues and expenses, and consequently, its ability to make payments on its obligations, include but are not limited to: (1) an inability to access financial markets on acceptable terms at a desired time, (2) significant investment portfolio losses, (3) increased business failures and consumer and business bankruptcies, (4) federal and state budget challenges resulting in reduced or delayed Medicare and Medicaid reimbursement or other health care program cuts, (5) a reduction in the demand for health care services or patient decisions to postpone or cancel elective and non-emergency health care procedures, (6) increased malpractice, casualty and other insurance expenses and claims, (7) reduced availability or affordability of health insurance, (8) a shortage of physician, nursing, or other clinical or non-clinical personnel, (9) a shortage of medical equipment or supplies due to a public health emergency, tariffs, or other factors, (10) increased operating costs due to inflation, tariffs, or other factors, (11) a reduction in the receipt of grants and charitable contributions, (12) unfavorable demographic developments in South County Health's service areas, (13) unavailability of liquidity during periods of economic stress caused by delayed reimbursement or payment, or increased costs of liquidity facilities, or (14) increased competition from other health care institutions.

The United States has experienced recent high levels of inflation and supply chain issues which has had an impact on the cost of goods and services needed by South County Health to operate its facilities. Such issues may increase costs and otherwise adversely impact operations.

Health Care Reform Could Negatively Impact Financial Condition

General. The Patient Protection and Affordable Care Act, as amended by the Health Care and Education Reconciliation Act of 2010 (the Affordable Care Act or ACA), significantly changed, and continues to change, how health care services are delivered, paid for, and financed in the United States. The primary goal of the ACA—extending health coverage to millions of uninsured legal U.S. residents— has taken place through a combination of private sector health insurance reforms and Medicaid program expansion (discussed below). To fund Medicaid expansion, the ACA includes a broad array of reimbursement reforms, quality improvement programs, cost-efficiency incentives, and enhanced fraud and abuse enforcement measures, each designed to generate savings within the Medicare and Medicaid programs. Additionally, the ACA created health insurance exchanges ("ACA Insurance Exchanges")— competitive markets for individuals and small employers to purchase health insurance—and financial programs designed to encourage insurance companies to offer plans on the health insurance exchanges.

Due to the controversial nature of health care reform generally, implementation of the ACA has been, and remains, politically controversial. Since its enactment, the ACA has faced a stream of opposition from Republican lawmakers calling for its repeal and/or replacement, along with a string of lawsuits challenging various aspects of the law. The ACA has survived several U.S. Supreme Court challenges and no bills wholly repealing the ACA have passed both chambers of Congress. However, lawsuits and legislation have shaped how the law has been implemented. For example, the Tax Cuts and Jobs Act of 2017 effectively eliminated a key provision of the ACA – a tax penalty associated with failing to maintain health coverage (the "Individual Mandate Tax Penalty") by reducing the penalty to zero dollars effective 2019. Additionally, the OBBBA is expected to reduce the Medicaid coverage expansion ("MCE") population by requiring all states (1) to impose new work or "community engagement" requirements for the MCE population, subject to certain exemptions, effective January 1, 2027 (or earlier at the option of the state), (2) to conduct eligibility redeterminations of the MCE population every six months starting January 1, 2027, instead of every twelve months, and (3) to impose deductibles or cost-sharing on MCE individuals with incomes greater than 100% of the federal poverty level (the "FPL"), effective October 1, 2028. The OBBBA is also expected to reduce the number of individuals insured through the ACA Insurance Exchanges by (1) ending auto reenrollment and provisional enrollment for insureds beginning with tax year 2028 and (2) imposing more restrictive requirements for qualifying for advance premium tax credits.

In addition to legislative changes or legal challenges, executive branch actions and policies could impact the viability and implementation of the ACA. For example, executive branch action has the potential to significantly impact the ACA Insurance Exchange market by causing a reduction in the number of healthy individuals in the ACA Insurance Exchanges, a reduction in the number of plans available on ACA Insurance Exchanges, and/or an increase in ACA Insurance Exchange premiums. President Trump has, and may continue to, reverse certain executive orders or policies of prior administrations and has taken a very broad view of executive powers, which could have the effect of undermining the ACA.

Any legal, legislative or executive action that (1) reduces federal health care program spending, (2) increases the number of individuals without health insurance, (3) reduces the number of people seeking health care, or (4) otherwise significantly alters the health care delivery system or related insurance markets could have a material adverse effect on South County Health's business or financial condition.

Certain key provisions of the law are discussed in more detail below:

Private Health Insurance Coverage Expansion. As originally drafted, the ACA's Individual Mandate Tax Penalty (discussed above) required most Americans to maintain "minimum essential" health insurance coverage or pay a yearly tax penalty to the federal government. Non-exempt uninsured individuals were expected to satisfy the mandate by purchasing insurance from, for example, an employer, private insurer, or through an ACA Insurance Exchange. ACA Insurance Exchanges are government-established organizations intended to provide competitive markets for buying health insurance by offering individuals and small employers a choice of different health plans, certifying plans that participate, and providing information to help consumers better understand their coverage options. Although the Tax Cuts and Jobs Act of 2017 effectively eliminated the Individual Mandate Tax Penalty by reducing the penalty to zero dollars effective 2019, individuals may still purchase insurance on the ACA Insurance Exchanges. ACA Insurance Exchanges may have a negative financial impact on health care providers to the extent (1) insurance plans purchased on the exchanges reimburse providers at lower rates or (2) high-deductible plans offered on the exchanges become more prevalent and lead to lower patient volumes as patients choose to forgo medical treatment in lieu of satisfying their deductible. There may also be a negative impact on health care providers if prior federal initiatives to encourage enrollment in ACA Insurance Exchange plans, such as premium subsidies, are not continued or are diminished (via the OBBBA or otherwise), and fewer people have health insurance coverage as a result.

Federally Funded Medicaid Expansion. Prior to the passage of the ACA, the Medicaid program offered federal funding to states to assist limited categories of low-income individuals (including children, pregnant women, the blind and the disabled) in obtaining medical care. The ACA permits states to expand Medicaid program eligibility to virtually all individuals under 65 years old with incomes up to 138% of the FPL and provides enhanced federal funding to states that opt to expand. Rhode Island has chosen to fully expand Medicaid under the ACA.

Legislative proposals to reduce or eliminate the ACA's enhanced federal Medicaid funding have been made in the past and may otherwise be proposed again in the future. If adopted, any such proposal could result in a rise in uninsured patients and a corresponding financial strain on hospitals, particularly those serving low-income populations.

Spending Reductions. The ACA contains a number of provisions designed to significantly reduce Medicare and Medicaid program spending, including: (1) negative adjustments to the "market basket" updates for Medicare's inpatient, outpatient, long-term acute and inpatient rehabilitation prospective payment systems, and (2) reductions to Medicare and Medicaid disproportionate share hospital ("DSH") payments. Any reductions to reimbursement under the Medicare and Medicaid programs could adversely affect South County Health's business or financial condition to the extent such reductions are not offset by increased revenues from providing care to previously uninsured individuals or otherwise.

Quality Improvement and Clinical Integration Initiatives. The ACA mandated the creation of a number of payment reform measures designed to incentivize or penalize hospitals based on quality, efficiency and clinical integration measures and authorizes the Center for Medicare & Medicaid Innovation within CMS to develop and test new payment methodologies designed to improve quality of care and lower costs. Other ACA provisions encourage the creation of new health care delivery programs, such as the Medicare Shared Savings Program—a program offering providers the opportunity to create accountable care organizations ("ACOs") that can share in the cost savings they achieve for the Medicare program if certain quality metrics are met. The continued outcomes of these projects and programs, including their effect on payments to providers and financial performance, cannot be predicted, but it is possible that South County Health's performance under these programs could result in lower reimbursement. See also "INDUSTRY TREND TOWARDS ALTERNATIVE PAYMENT MODELS AND CLINICALLY INTEGRATED DELIVERY SYSTEMS CARRIES REGULATORY RISK AND MAY NEGATIVELY AFFECT REVENUES" below.

Fraud and Abuse Enforcement Enhancements. To reduce unnecessary health care spending, the ACA includes a number of provisions aimed at combating fraud and abuse within the Medicare and Medicaid programs. Such provisions provide increased federal funding to fight health care fraud and abuse, provide government agencies with additional enforcement tools and investigation flexibility, facilitate cooperation between agencies by establishing mechanisms for information sharing, and enhance criminal and administrative penalties for non-compliance with the federal fraud and abuse laws (e.g., the AKS, the Stark Law, and the FCA, each as defined and discussed below).

South County Health is Dependent Upon Third Party Payor Reimbursement and Could Adversely Affected by Reimbursement Reductions, Delays, or Failure to Negotiative Favorable Contracts

Medicare and Medicaid Reimbursement, Generally. The Medicare program is the federally funded government health insurance program for individuals over 65 regardless of income and for individuals with permanent disabilities or with end-stage renal disease. The Medicaid program is the joint federal and state health insurance program that, together with the Children's Health

Insurance Program (“CHIP”), provides health coverage to certain low-income individuals and children and individuals with disabilities. South County Health is highly dependent on the receipt of reimbursement from the Medicare and Medicaid programs and could be adversely affected by changes to federal or state policy or funding relating to these programs.

Government health care programs may make payments to South County Health in amounts that are less than the direct and indirect costs to South County Health in actually providing services to patients. Health care providers have been and continue to be affected significantly by changes made in the last several years to federal and state health care laws and regulations, particularly those pertaining to Medicare and Medicaid. The purpose of much of this statutory and regulatory activity has been to reduce the rate of increase in health care costs, particularly amounts paid under the Medicare and Medicaid programs to providers. In addition to ongoing and future payment reform measures resulting from the OBBBA, the ACA, and other health care reform efforts, the Medicare and Medicaid programs are subject to: (1) additional potential statutory, regulatory and judicial changes, administrative rulings, interpretations and determinations concerning patient eligibility requirements, funding levels, scope of coverage and the method of calculating payments or reimbursement rates, (2) requirements for utilization review and other quality and cost containment measures, and (3) federal and state funding restrictions and challenges. Any of these factors could materially decrease payments from these government programs in the future, as well as affect the cost of providing services to patients and the timing and amount of reimbursement. Any resulting material adverse effect to South County Health’s business or financial condition could be exacerbated if Management is not able to effectively manage operating costs.

Rhode Island Medicaid. The Rhode Island Executive Office of Health and Human Services (“EOHHS”) administers the Rhode Island Medicaid Program in partnership with the Rhode Island Department of Human Services (“DHS”). Rhode Island’s Medicaid program provides health care coverage for children and adults in Rhode Island who are elderly, disabled, or with low incomes. From time to time, EOHHS, DHS, and/or the Rhode Island legislature may change policies relating to Medicaid eligibility, services, and reimbursement. Attempts to balance or reduce federal or state budgets will likely negatively impact Medicaid spending. Any reductions in eligibility, covered services, or reimbursement rates could have a material adverse effect on the business or financial condition of the program. Federal and state legislative proposals to tighten Medicaid eligibility requirements or require more frequent or stringent eligibility determinations could result in a rise in uninsured patients and a corresponding strain on the healthcare system, including hospitals, particularly those serving low-income populations.

The OBBBA includes substantial reforms to the Medicaid program that are expected to materially adversely affect the financial condition of health care providers that rely on Medicaid reimbursement. Key provisions of the OBBBA affecting Medicaid include: (1) mandatory work or “community engagement” requirements for most non-disabled adult beneficiaries under age 65, (2) more frequent and stringent eligibility redeterminations, (3) increased cost-sharing for certain beneficiaries, (4) restrictions on state financing mechanisms, such as Provider Taxes (defined and discussed below), (5) limits on State-Directed Payments (defined and discussed below), and (6) new limitations on Medicaid coverage for certain immigrant populations. These changes are expected to have material effects on state Medicaid programs and the broader health care delivery system, including a significant increase in the uninsured population. The CBO estimates that the OBBBA will increase the number of people without insurance by 10 million by 2034.

State Medicaid Managed Care Programs. Certain states, including Rhode Island, have transitioned all or a portion of their state Medicaid programs to Medicaid managed care organizations ("MCOs"). Medicaid managed care provides for the delivery of Medicaid health benefits and additional services through contracted agreements between state Medicaid agencies and MCOs that accept a set per member per month (capitation payment) payment for these services. Providers servicing Medicaid managed care beneficiaries may be reimbursed at a rate which does not adequately reflect the actual cost of care provided and may experience increased financial administrative burdens. Involvement in a state Medicaid managed care program may require providers to adhere to additional requirements established by the MCOs on top of the Medicaid requirements otherwise set forth in federal and state law. To the extent that Rhode Island increases its reliance on managed Medicaid programs, delayed or decreased Medicaid reimbursement may result, in addition to other potentially significant provider costs, such as legal fees, to address these issues.

State Medicaid Waivers. Rhode has previously entered into, and may in the future enter into, one or more "State Medicaid Waivers" with the federal government. A State Medicaid Waiver is a request that the federal government waive certain Medicaid program requirements to provide the state with flexibility to redesign how Medicaid benefits are delivered to patients. Hospitals may receive a material amount of supplemental payments or enhanced reimbursement through State Medicaid Waiver programs, and any loss or reduction of such payments could materially adversely affect Rhode Island's Medicaid program.

State Provider Fee Programs. Certain states, including Rhode Island, have created programs that impose a fee or tax on health care providers, the proceeds of which are intended to be used as a mechanism to generate new state funds that can be matched with federal funds to supplement Medicaid funding. As Rhode Island's Medicaid program currently receives supplemental payments benefitting from these programs, a decrease in payment could materially adversely affect the financial condition of the program.

Children's Health Insurance Program. The Children's Health Insurance Program ("CHIP") is a joint federal and state program that provides health coverage to uninsured children in families with incomes too high to qualify for Medicaid, but too low to afford private coverage. CMS administers CHIP, but each state creates its own program based upon minimum federal guidelines. States may design their CHIP programs as an independent program separate from Medicaid, use CHIP funds to expand their Medicaid program, or combine these approaches. Each state must periodically submit its CHIP plan to CMS for review to determine if it meets federal requirements. If a state does not meet the federal requirements, it can lose its federal funding for the program. From time to time the federal government may seek to expand or contract the CHIP program. Federal legislation has extended CHIP funding and authorization through federal fiscal year 2029. When any CHIP funding or authorization expires there can be no assurance that such funding or authorization will be reestablished at either a state or federal level, or that professional facility reimbursement rates will not subsequently be amended in an effort to manage costs. If CHIP is not extended or if it is extended with reduced funding, the financial condition and financial performance of children's health care providers could be materially affected. The OBBBA narrows the pool of eligible non-citizens by restricting CHIP eligibility to U.S. citizens and nationals, as well as immigrants with "qualified" immigration status including lawful permanent residents, and specific humanitarian groups. This change may result in an additional uncompensated care burden.

Federal and State Budget Matters. The effect of future government health care funding, spending reductions, or federal or state deficit policy changes on South County Health's business or financial condition is unpredictable. As health care spending comprises a significant portion of federal spending, health spending has been, and may continue to be, a large part of government cost-reduction efforts. If reimbursement rates paid by governmental payors are reduced, if reimbursement due is delayed, if the scope of services covered by governmental payors is limited, or if other health care program spending is eliminated, reduced, or delayed, there could be a material adverse effect on South County Health's business or financial condition.

Medicare Sequestration. Past federal legislation and policies aimed at federal deficit reduction have resulted in across-the-board federal program spending reductions, including a yearly 2% reduction in Medicare reimbursement rates (known as "Medicare Sequestration") required by the Budget Control Act of 2011. Another federal statutory sequester, the "Pay-As-You-Go" or "PAYGO" sequester, may be triggered in future years. Further, with no long-term resolution in place for federal deficit reduction, Medicare and Medicaid reimbursement may continue to be targets for interim and long-term federal spending reduction efforts. It is possible that Congress could act to extend or increase Medicare and Medicaid spending reductions in the future and such actions could have a material adverse effect on South County Health's business or financial condition.

Federal Debt Limit, Federal Spending Bills and Government Shutdown. The federal government is subject to a debt "ceiling" established by Congress, which limits the total amount of federal debt that can be incurred. Political disputes over raising the federal debt ceiling or passing federal spending bills have, in the past, resulted in shutdowns of substantial portions of the federal government and other delays in federal funding. These events are unpredictable and may occur from time to time. Any failure by Congress to increase the federal debt ceiling or authorize federal spending bills may impact the federal government's ability to incur additional debt, pay its existing debt instruments, and satisfy its obligations relating to federal programs, including the Medicare and Medicaid programs.

The duration and full effect of a government shutdown or funding delay cannot be predicted, but such events may materially adversely affect the operations and financial condition of South County Health, particularly if delays or reductions in federal funding impact Medicare, Medicaid, or other reimbursement programs on which South County Health relies. In addition, these events may negatively affect the market price and marketability of South County Health's outstanding bonds in the secondary market.

State Budget. Many states, including Rhode Island, face budgetary challenges that have resulted, and likely will continue to result, in reduced Medicaid funding levels to hospitals and other health care providers. Stresses on state budgets may result in reductions in Medicaid payment rates or increases in Medicaid eligibility standards, and/or payment delays from Medicaid and other state or local payment programs. It is generally expected that the OBBA will put additional strain on state budgets, forcing states to make difficult decisions regarding operating priorities, which may put further financial pressure on state Medicaid programs and Medicaid providers. Additionally, executive or legislative proposals to cap the federal share of Medicaid expenditures, otherwise reduce Medicaid expenditures, or "block grant" the funding of the Medicaid program would result in shifting cost risks of the program to the states, thereby further exacerbating state budget challenges, and potentially resulting in decreased payments to providers, reduction in the services covered by Medicaid and a decrease in the number of eligible patients. These situations may have a material adverse effect on a provider's business or financial condition.

Conditions of Participation. CMS develops certain health and safety standards known as Conditions of Participation and Conditions for Coverage (collectively, "Conditions of Participation") that health care facilities must meet in order to enroll and participate in the Medicare and Medicaid programs. Hospitals must also meet these Conditions of Participation to participate in various commercial payor programs as well. CMS is responsible for ensuring that health care facilities meet these regulatory Conditions of Participation. In certain cases, facilities accredited by CMS-approved accrediting organizations, such as The Joint Commission, are deemed to meet the Conditions of Participation. Failure to maintain accreditation or to otherwise comply with the Conditions of Participation could result in an inability to participate with related payors, which could materially adversely affect the business or financial condition of South County Health.

Site-Neutral Reimbursement. Medicare services performed at off-campus hospital outpatient departments ("HOPDs") have traditionally been reimbursed under the Medicare Hospital Outpatient Prospective Payment System ("OPPS"), while services performed in freestanding clinics (e.g., free-standing ambulatory surgery centers or physician offices) have been reimbursed at the lower Medicare Physician Fee Schedule rate. The Bipartisan Budget Act of 2015 created "site neutral" reimbursement for services to Medicare beneficiaries at most off-campus provider locations beginning January 1, 2017. Off-campus hospital departments that did not bill for services under the OPPS prior to November 2, 2015 are not reimbursed under Medicare's OPPS, but rather are reimbursed under alternative payments systems (for example, at ambulatory surgery center rates). Certain HOPDs are exempt from the site-neutral reimbursement rules, including off-campus hospital departments that billed for services under OPPS prior to November 2, 2015, dedicated emergency departments and dedicated cancer hospitals. Effective for calendar year 2020 and after, off-campus provider-based hospital departments that do not meet an exception are paid for hospital outpatient visits at 40% of the OPPS rate.

Medicare and Medicaid Audits. Providers that participate in federal health care programs, such as Medicare and Medicaid, are subject from time to time to audits and other investigations relating to various aspects of their operations and billing practices, as well as to retroactive audit adjustments with respect to reimbursements already received under these programs. These same measures are also implemented by private payors. Such retroactive audit adjustments, as well as pre-payment reviews and other requirements to justify claims, could have a material adverse effect on a provider's business and financial condition due to payment delays, payment reductions, and recoupment of alleged overpayments, particularly where the auditing payor extrapolates their narrower findings to a much larger universe of similar claims. Medicare and Medicaid regulations also provide for withholding reimbursement in certain circumstances. New billing rules and reporting requirements for which there is no clear guidance from federal or state agencies could result in claims submissions being considered inaccurate, incomplete, otherwise erroneous, or even viewed as fraudulent. The penalties for violations may include an obligation to refund money to the Medicare or Medicaid program, payment of criminal or civil fines and, for serious or repeated violations, criminal sanctions or exclusion from participation in federal health programs.

Disproportionate Share Hospital Payments. Medicare and Medicaid provide additional payments to hospitals that serve a disproportionate share of certain low-income and uninsured individuals. The State of Rhode Island has converted most of the funding into a State Directed Payment approach rather than DSH. Commencing in federal fiscal year 2028, State Directed payments will be reduced in accordance with limitations imposed in the One Big Beautiful Bill and South County's payments will be reduced proportionately.

Medical Education Payments. Medicare currently pays for a portion of the costs of medical education at hospitals that have teaching programs. The amount that Medicare pays is contingent on a number of factors, namely surrounding the number of residents at a hospital relative to the number of beds the hospital maintains. Regardless of the size of a hospital's teaching program, these payments are vulnerable to reduction or elimination. The direct and indirect medical education reimbursement programs have repeatedly emerged as targets in the legislative efforts to reduce the federal budget deficit. There can be no assurance that medical education payments will remain at current levels or that amounts received will be sufficient to cover costs associated with medical education programs.

340B Drug Pricing Program. Entities that participate in the prescription drug discount program established under Section 340B of the Public Health Service Act (the "340B Program") are able to purchase certain outpatient drugs for patients at a reduced cost. The Health Resources and Services Administration ("HRSA") within DHHS administers the 340B Program. Eligibility for the 340B Program is determined on an annual basis and, therefore, can be unpredictable. The rules and regulations applicable to participation in the 340B Program are technical, complex, and numerous. Failure to comply with the 340B Program requirements or rules could result in exclusion from the 340B Program, thus significantly increasing costs for drugs and potentially creating a repayment obligation, which in either case could have a material adverse effect on the business or financial condition of South County Health.

Pending or future legal, legislative or regulatory actions may impact the 340B Program. For example, federal or state legislative or administrative efforts may be undertaken seeking to tighten 340B Program eligibility requirements, eliminate or reduce the scope of the program, or reduce related payments. Any legal, legislative, or regulatory action that results in a loss of 340B Program eligibility, decreases or delays 340B Program drug discounts, narrows drug manufacturer obligations, or significantly alters or terminates the program, could have a material adverse effect on South County Health.

Research Funding. Medical centers often receive a substantial portion of the revenues related to research activities, including significant funding through the National Institutes of Health ("NIH"). NIH funding is subject to appropriations by Congress. In the event that a material reduction in the aggregate NIH budget occurs, such a reduction may have a material adverse effect on an academic medical center's research operations and, as a result, on its financial condition. Efforts to reduce research funding have occurred, and may continue to occur, under the current federal administration.

Recipients of federal grants must comply with the terms and conditions of those grants as well as the reporting requirements associated with such grants. Due to the complexity of federal law and regulations governing research activities, it is possible that federal enforcement authorities could allege or determine that the recipient is not in compliance with grant requirements, which could result in material sanctions. In addition, federal grants are subject to audits to determine, among other things, whether costs are appropriately charged to a grant, and a grantee's failure to comply with the terms and conditions of a grant award may cause the federal government to initiate an enforcement action against the grantee.

Managed Care Plans and Other Commercial Payors. South County Health also derives a large percentage of its revenue from commercial third-party payors, including from commercial insurers, including health maintenance organizations ("HMOs"), preferred provider organizations ("PPOs"), and other managed care plans. Accordingly, South County Health's ability to negotiate and renew contracts on competitive terms with commercial insurers significantly affects South County Health's revenues and operating results. South County Health's business or financial condition could be adversely affected if (1) it is unable to enter into and maintain commercial insurance contracts, including managed care contracts, on favorable or acceptable terms, (2) it experiences material reductions in the contracted rates from commercial insurers, or (3) it has difficulty collecting from commercial payors or commercial payors initiate audits, recoupment, or other actions reducing or delaying payor revenue. Additionally, commercial third-party payors are increasingly attempting to control health care costs through increased utilization reviews, greater enrollment in managed care programs, such as HMOs and PPOs, and directly contracting with hospitals to provide services on a discounted basis. The trend toward consolidation among private managed care payors tends to increase their bargaining power over prices and fee structures. Other health care providers, including some with greater financial resources, greater geographic coverage or a wider range of services, may compete with South County Health for opportunities with commercial insurers. For example, competitors may negotiate exclusivity provisions with certain managed care plans or otherwise restrict the ability of managed care companies to contract with South County Health providers. There can be no assurance that South County Health will be able to continue to attract commercial third-party payors, or that it will be able to contract with such payors on advantageous terms.

Loss of Accreditation, Licensure or Other Approval May Negatively Affect Business or Financial Condition

South County Health's medical facilities are subject to periodic review by licensing and/or accrediting organizations to determine compliance with various legal, regulatory, professional, and private licensing, certification, accreditation standards or requirements. These standards or requirements include but are not limited to the requirements of state licensing agencies, CMS, CMS-approved accrediting organizations (e.g. The Joint Commission), and private payors. Renewal and continuance of certain of these licenses, certifications, and accreditations are based on inspections, surveys, audits, investigations, or other reviews, some of which may require or include remedial action or response by South County Health. Loss of accreditation or licensure could impair the ability of South County Health to operate all or a portion of its health care facilities and have a material adverse impact on South County Health's business or financial condition.

Many states, including Rhode Island, have certificate of need ("CON") laws, which, among other things, may require that a health care facility obtain state approval before constructing a health care facility, expanding a health care facility, or changing the services a health care facility provider. The general intent of such CON laws is to restrain health care facility costs and allow coordinated planning of new services and construction. Failure to obtain necessary state CON approval can result in the inability to expand facilities, add services, or acquire a facility. Violation of such laws may result in the imposition of civil sanctions or the revocation of a facility's license. CON applications may be, and often are, opposed by competing health care providers. Failure to obtain a CON for a project SCHHS deems necessary could have an adverse financial affect on SCHHS. From time to time, state legislatures consider eliminating or reducing the scope of CON programs. If an applicable CON program is narrowed, phased-out or eliminated, SCHHS could face increased competition from other providers.

Failure to Comply with Complex and Evolving Health Care Laws and Regulations Could Result in Substantial Liabilities or Penalties

General. Health care businesses are subject to complex and extensive federal, state and local regulation relating to, among other things, licensure, contractual arrangements, conduct of operations, privacy of patient information, ownership of facilities, physician relationships, other referral relationships, patient relations, addition of facilities and services and reimbursement rates for services. Under these laws, individuals and organizations can be penalized for a wide variety of prohibited conduct, including submitting claims for services that are not provided, that are billed in a manner other than as actually provided, that are not medically necessary, that are provided by an improper person or accompanied by an illegal inducement to utilize or refrain from utilizing a service or item, or that are billed in a manner that does not otherwise comply with applicable legal requirements. The laws governing fraud and abuse apply to all individuals and health care enterprises with which a health system does business, including other hospitals, home health agencies, long term care entities, infusion and pharmaceutical providers, insurers, health maintenance organizations, preferred provider organizations, third-party administrators, physicians, physician groups, and physician practice management companies. The laws, rules, regulations and other binding guidance are often evolving, and in many cases, the industry has little or no regulatory or judicial interpretation for guidance. Additionally, both federal and state government agencies continue to pursue heightened and coordinated civil and criminal enforcement efforts against perceived violations of health care laws, often at the suggestion of MCOs. In the current regulatory climate, it is anticipated that many hospitals and physician groups may be subject to an audit, investigation, or other enforcement action regarding a potential health care fraud laws violation.

As discussed in more detail below, violations may result in the imposition of severe consequences, including exclusion of the provider from participation in the Medicare and Medicaid programs, criminal fines, civil monetary penalties, payment suspension pending credible fraud allegations, and in the case of individuals, imprisonment. The cost of defending such an action, the time and management attention consumed, and the facts of a case may dictate settlement. Regardless of the merits of a particular case, a health care provider could experience materially adverse settlement costs, as well as materially adverse costs associated with implementation of any settlement agreement or corporate integrity agreement. Prolonged and publicized investigations could also damage the reputation and business of a health care provider, regardless of outcome.

Governmental entities responsible for enforcing these laws and regulations may take the position that South County Health is in violation of these laws, irrespective of the merit of that position. In addition, because health care regulations are particularly complex, such regulations may be interpreted and enforced in a manner that is inconsistent with Management's interpretation. South County Health's business or financial condition could be harmed if South County Health is alleged to have violated existing health care authorities or fails to comply with new or changed health care authorities. Furthermore, because the health care industry is one of the largest industries in the United States, it continues to attract much legislative interest and public attention. Further changes in the health care regulatory framework increasing burdens on health care providers could have a material adverse effect on South County Health's business or financial condition.

Certain key health care authorities are briefly discussed below:

Civil Monetary Penalties Law. The federal Civil Monetary Penalties Law authorizes civil monetary penalties for a variety of health care fraud violations (such as AKS, Stark Law, FCA, or EMTALA violations, each discussed below). Different amounts of penalties and assessments may be authorized based on the type of violation, and the amounts are adjusted yearly for inflation. Civil monetary penalties also may include an assessment of up to three times the amount claimed for each item or service, or up to three times the amount of remuneration offered, paid, solicited, or received. Actions subject to penalties include: (1) presenting fraudulent claims, (2) presenting claims for which a provider knows Medicare will not pay, (3) "gainsharing" arrangements which induce providers to limit or reduce medically necessary services, (4) providing benefits to Medicare or Medicaid beneficiaries that a provider knows or should know are likely to induce the beneficiaries to choose the provider for their care, and (5) violating the AKS or the Stark Law. Health care providers may be found liable under the Civil Monetary Penalties Law even when they did not have actual knowledge of the action being improper; knowingly undertaking the action is sufficient. Civil monetary penalties can add up quickly and result in multi-million-dollar judgments or settlements, materially adversely impacting a provider's business or financial condition.

Anti-Kickback Statute. The federal Anti-Kickback Statute ("AKS") is a felony criminal law that prohibits the knowing and willful payment of "remuneration" to induce or reward patient referrals or the generation of business involving any item or service payable by the federal health care programs (e.g., drugs, supplies, or health care services for Medicare or Medicaid patients). Actual knowledge and specific intent to violate the statute are not required, as the required improper intent can be presumed from the underlying facts and circumstances. Remuneration includes anything of value and can take many forms besides cash (e.g., free rent, free hotel stays and meals, and excessive compensation for medical directorships or consultancies). The AKS applies to both the payors of kickbacks (those who offer or pay remuneration) as well as the recipients of kickbacks (those who solicit or receive remuneration). The government does not need to prove patient harm or financial loss to federal health care programs to show a violation of the AKS. For example, a physician can violate the AKS even if the physician actually rendered the service and the service was medically necessary. AKS "safe harbors" described in federal regulations protect certain payment and business arrangements that could otherwise implicate the AKS from criminal and civil prosecution (e.g., personal services and rental agreements, investments in ambulatory surgical centers, and payments to bona fide employees), but in order to be protected by a safe harbor, an arrangement must squarely meet each safe harbor element. Failure to squarely meet all the required elements of a safe harbor does not necessarily render the conduct or business arrangement illegal under the AKS. Rather, such conduct or business arrangement may be subject to increased regulatory scrutiny. Criminal penalties, civil monetary penalties and administrative sanctions for violating the AKS include substantial fines per kickback plus monetary penalties up to three times the amount of damages sustained by the government, jail terms, and exclusion from participation in the federal health care programs. In addition, under the ACA, submission of a claim for services or items generated in violation of the AKS may constitute a false or fraudulent claim subject to additional penalties under the FCA (defined and discussed below).

Many states, including Rhode Island, have adopted prohibitions similar to the AKS, some of which may be broader in scope than the federal statute. No assurance can be given that such a violation will not be alleged or found. Any sanctions imposed as a result of an AKS or similar state law violation could have a material adverse effect on SCHHS's business or financial condition.

Eliminating Kickbacks in Recovery Act. The federal Eliminating Kickbacks in Recovery Act ("EKRA") generally prohibits offering, paying, receiving or soliciting any remuneration for services provided by a laboratory, recovery home, or clinical treatment facility. Violations may result in significant criminal penalties, including fines and prison. Unlike the AKS, EKRA applies to private payer programs as well as government payers. Like the AKS, EKRA does have several statutory safe harbors, but it has no regulatory safe harbors. Accordingly, it is more difficult to fit within a safe harbor under EKRA and there is considerably less interpretative guidance under this law.

Stark Law. The federal Physician Self-Referral Law (commonly known as the "Stark Law") prohibits a physician from referring Medicare or Medicaid patients for certain "designated health services" to an entity in which the physician (or an immediate family member) has a financial relationship, such as an ownership/investment interest or compensation arrangement, unless an exception applies. include clinical laboratory, physical therapy, radiology, inpatient and outpatient hospital, and other services. Importantly, the Stark Law is a strict liability statute, meaning that one can violate the law without any intent to do so. Statutory and regulatory exceptions to the Stark Law's referral prohibition can protect a broad range of common financial relationships between referring physicians and a designated health services provider such as a hospital (e.g., employment relationships, relocation arrangements, leases, group practice arrangements, or medical directorships). If the relationship does not squarely meet the elements of a Stark Law exception, it will result in violation of the law. A Stark Law violation may result in a denial of Medicare or Medicaid reimbursement, required refunds to patients and the federal health care programs, substantial civil monetary penalties, and exclusion from participation in the Medicare and Medicaid programs and other federal programs. In addition, the submission of a claim for services or items generated in violation of the Stark Law may constitute a false or fraudulent claim, and thus create additional penalties under the FCA.

Many states, including Rhode Island, have adopted self-referral prohibitions similar to the Stark Law, some of which may be broader in scope and carry larger fines than the federal statute. No assurance can be given that a violation will not be alleged or found. Any sanctions imposed as a result of a Stark Law or similar state law violation could have a material adverse effect on South County Heath's business or financial condition.

South County Health's participation in and development of joint ventures and other financial relationships with physicians could be adversely affected by the Stark Law and similar state laws. Moreover, new payment structures promoted by the ACA, such as ACOs and other arrangements involving combinations of hospitals, physicians and other providers who share payment savings, could potentially be seen as implicating the AKS or the Stark Law.

CMS has established a voluntary self-disclosure program under which hospitals and other entities may report Stark Law violations and seek a reduction in potential refund obligations. South County Health may make self-disclosures under this program as appropriate from time to time. Any submission pursuant to the self-disclosure program does not waive or limit the ability of the DHHS Office of the Inspector General or the U.S. Department of Justice to seek or prosecute violations of the AKS or impose civil monetary penalties. The scope of repayments, penalties and other actions resulting from a self-disclosure will depend on the particular facts and circumstances, including the current regulatory interpretation of the issues subject to such disclosure.

False Claims Act and Whistleblower Lawsuits. The federal False Claims Act ("FCA") prohibits knowingly submitting a false or fraudulent claim to the federal government (e.g., the Medicare or Medicaid programs) for reimbursement. Because the term "knowingly" is defined broadly under the law to include not only actual knowledge but also deliberate ignorance or reckless disregard of the facts, the FCA can be used to punish a wide range of conduct. Accordingly, FCA investigations and cases have become common in the health care industry and may cover a range of activity from intentionally inflated billings to highly technical billing infractions, to allegations of unnecessary or inadequate care. Additionally, a claim connected to a Stark Law or AKS violation may be deemed a false claim in violation of the FCA. In addition to direct FCA liability, the ACA further expanded the reach of the FCA to include, among other things, failure to report and return known overpayments within statutory time limits. Knowingly and improperly avoiding an obligation of this sort is often referred to as a "reverse" false claim. Filing false claims in violation of the FCA can result in civil fines, substantial per-claim penalties, and monetary penalties up to three times the amount of damages sustained by the government (e.g., the amount falsely billed to the Medicare or Medicaid program). These fines can add up quickly and result in multi-million-dollar judgments or settlements. Additionally, violation or alleged violation of the FCA can result in payment suspension pending investigation, the imposition of corporate integrity agreements, costly settlement agreements, or exclusion from Medicare and Medicaid.

The qui tam or "whistleblower" provisions of the FCA allow a private individual to bring an FCA action on behalf of the government. As part of the resolution of a qui tam case, the whistleblower may share in a portion of any FCA settlement or judgment. Qui tam actions can also be filed under certain state false claims laws if the fraud involves Medicaid funds or funding from state and local agencies. In recent years, there has been a large increase in the number of FCA qui tam actions. Because qui tam lawsuits are kept under seal while the federal government evaluates whether the United States will join the lawsuit, it is difficult to determine whether any such actions are pending.

The Deficit Reduction Act of 2005 provides financial incentives to states that pass similar false claims statutes or amend existing false claims statutes that track the FCA more closely with regard to penalties and rewards to qui tam relators. Accordingly, many states have passed similar false claims statutes, some of which expand the prohibition against false claims submitted to non-government third-party payors. No assurance can be given that an FCA action will not be filed and a violation alleged or found. Any sanctions imposed as a result of an FCA or state false claims law violation could have a material adverse effect on South County Health's business or financial condition.

HIPAA and State Privacy Laws. The Health Insurance Portability and Accountability Act of 1996, as amended by the Health Information Technology for Economic and Clinical Health Act ("HITECH") and as it may further be amended from time to time, and its implementing regulations (collectively, "HIPAA") provide data privacy and security requirements for safeguarding medical information. HIPAA, which applies to health plans, health care clearinghouses, and health care providers who conduct the standard health care transactions electronically, includes both (1) a "privacy rule," which sets forth national standards for the protection of individually identifiable protected health information ("PHI"), and (2) a "security rule," which sets forth national standards for protecting the confidentiality, integrity, and availability of electronic PHI. Failure to comply with HIPAA can result in both criminal and civil fines and penalties. Mandatory breach notification and reporting requirements increase the risk of government enforcement as well as class action lawsuits, especially if large numbers of individuals are affected by a breach. Additionally, states may have privacy or consumer protection laws that are broader than HIPAA and, unlike HIPAA, authorize a private right of action. No assurance can be given that a violation will not be alleged or found. Any sanctions imposed as a result of a HIPAA or state privacy law violation could have a material adverse effect on South County Health's business or financial condition.

Health care providers are increasingly analyzing or partnering or contracting with others to analyze health care "Big Data," i.e., datasets of such volume or breadth that cannot be analyzed using ordinary database software tools. In particular, large hospitals may analyze health care Big Data for operational purposes such as to measure value-based performance. Hospitals may also enter into research collaborations with technology companies to analyze health care Big Data for research purposes. Although HIPAA permits the use and disclosure of individually identifiable health information held by covered entities for certain operational or research purposes, both the covered entity and its business associate must comply with stringent privacy and security requirements, including but not limited to, the execution of a business associate agreement. If HIPAA's privacy and security requirements are not met, significant exposure both with respect to the government and civil litigants (under state privacy laws) may result. For example, to share individually identifiable health information with a research partner, a hospital may choose to "de-identify" such information which would be a permissible use or disclosure under HIPAA. However, the failure to properly de-identify could result in significant financial exposure particularly due to the volume of patients affected. Moreover, a breach of HIPAA's privacy or security rules by a business associate can also result in negative consequences and legal obligations for a covered entity. While South County Health may contract with external vendors for purposes such as the use or sharing of health care Big Data for operational and research purposes, due to the complexity of HIPAA and related state law requirements, non-compliance in this context in the future could result in a material adverse impact.

EMTALA. The federal Emergency Medical Treatment and Labor Act ("EMTALA") requires that Medicare-participating hospitals and other facilities with emergency departments provide "appropriate medical screening" to patients who come to the emergency department to determine if an emergency medical condition exists regardless of a patient's ability to pay. If an emergency medical condition exists, the facility must stabilize the patient within its capabilities and only transfer the patient once stabilized. Failure to comply with EMTALA may result in the imposition of civil monetary penalties or a hospital's exclusion from the Medicare and/or Medicaid programs. EMTALA and its implementing regulations are complex, and a hospital's compliance is dependent, in part, upon the specific actions of medical staff members. Over the last few years, the federal government has increased its enforcement of EMTALA. No assurance can be given that a violation of EMTALA will not be alleged or found. Any failure of South County Health to meet its responsibilities under EMTALA could have a material adverse effect on South County Health's business or financial condition.

Clinical Research Laws. The FDA and the Office for Human Research Protections within DHHS have authority over clinical trials and federally funded research. Enforcement activities of these agencies may increase or decrease over time. These agencies' enforcement powers range from substantial fines and penalties to disqualification of researchers and suspension or termination of entire research programs.

Price Transparency Regulations. The federal Hospital Price Transparency Rule ("Transparency Rule") requires hospitals to publish gross charges, discounted cash prices, payor-specific negotiated charges, and de-identified minimum and maximum negotiated charges for all items and services provided by the hospital. Hospitals are also required to publish a consumer-friendly list of standard charges for at least 300 shoppable services—generally, non-emergency services that patients can schedule in advance. Failure to comply with these requirements can result in daily monetary penalties to the hospital, subject to a total maximum yearly penalty which varies based on the number of hospital beds. Certain states, including Rhode Island, have also adopted price transparency laws, some of which may be broader in scope and carry larger fines than the federal Transparency Rule. Failure to comply with the Transparency Rule or state price transparency laws could have a material adverse effect upon the future financial condition and operations of South County Health. Additionally, the availability of competitively sensitive pricing information among hospitals, insurers, and employer sponsors of group health plans could lead to market distortions, anti-competitive effects, protracted payor contract negotiations, or changes in patient choice, any of which may negatively impact South County Health. Moreover, hospitals may need to update their systems and processes to meet evolving and new transparency requirements, demanding substantial administrative effort, potential technology upgrades and ongoing compliance monitoring, all of which may strain hospital resources and operations.

President Trump's Executive Order 14221, "Making America Healthy Again by Empowering Patients with Clear, Accurate, and Actionable Healthcare Pricing Information," issued in February 2025, reaffirmed the commitment to, and directed accelerated implementation and enforcement of, price transparency regulations. Under this executive order, CMS released updated guidance requiring hospitals to provide more detailed, standardized, and easily comparable pricing information for services and prescription drugs, with a focus on actual prices rather than estimates, to empower patients to make informed decisions.

No Surprises Act. The No Surprises Act establishes federal protections against surprise medical bills that could arise from out-of-network emergency care, certain ancillary services provided by out-of-network providers at in-network facilities, and for out-of-network care provided at in-network facilities without the patient's informed consent. Patients are required to pay only the in-network cost-sharing amount, determined through a formula established by the DHHS and counted toward the patient's health plan deductible and out-of-pocket cost-sharing limits. Providers are not permitted to balance bill patients beyond this cost-sharing amount. Both providers and health plans are required to inform patients about these protections. Violations could result in enforcement action or substantial federal civil monetary penalties. Although surprise billing laws are important for protecting patients, they can reduce the bargaining power of hospitals with payers and ultimately have a negative impact on hospitals. The ultimate effect of the No Surprises Act on South County Health's operations and financial condition cannot be predicted at this time.

<u>U.S. Supreme Court Ruling on the Chevron Doctrine</u>. In June 2024, the U.S. Supreme Court issued its decision in Loper Bright Enterprises v. Raimondo (the "Loper Bright Decision"), which modified the regulatory interpretation standard established 40 years ago by Chevron v. Natural Resources Defense Council (the "Chevron Doctrine"). The Chevron Doctrine permitted federal agencies to interpret federal statutes when a statute was silent or ambiguous with respect to a specific issue and further provided that courts should defer to the agency's interpretation so long as the interpretation was a permissible construction of the statute, even if the court would have reached a different conclusion. In the Loper Bright Decision, the Supreme Court held that a court is not required to automatically defer to an agency's reasonable interpretation of an ambiguous statute, though it may take the agency's interpretation of a statute into consideration in its ruling.

The ruling is generally expected to result in a chill in future federal rulemaking and a significant increase in litigation challenging existing and future federal rules and regulations, including those promulgated by health care regulatory agencies such as DHHS and CMS. While some health care stakeholders may welcome less deference to administrative agencies, the Decision may introduce additional uncertainty in the federal regulatory framework governing health care and result in a disparate body of case law across jurisdictions that could make it more difficult for health care providers, including South County Health, to fully comply with federal laws.

Failure to Comply with Other Laws and Regulations Could Result in Substantial Fines or Penalties

In addition to laws and regulations specific to the health care industry, as discussed above, health care businesses are subject to a wide variety of non-health care laws and regulations in the ordinary course of business. Violation of these laws or regulations could result in various penalties, demands, or substantial defense costs, any of which could have a material adverse effect on South County Health's business or financial condition. Some of these laws are briefly described below.

Environmental and Occupational Health and Safety Laws and Requirements. Typical health care facility operations include the handling, use, storage, transportation, disposal and/or discharge of hazardous, infectious, toxic, radioactive, flammable, and other dangerous materials, wastes, pollutants, and contaminants. As such, health care facility operations are particularly susceptible to the practical, financial, and legal risks associated with compliance with environmental and occupational health and safety laws and regulations. These risks may result in (1) damage to individuals, property, or the environment, (2) the interruption of operations and/or increased operating costs, (3) legal liability, damages, injunctions, citations, or fines, and (4) investigations, administrative proceedings, civil litigation, criminal prosecution, penalties, or other governmental agency actions. Such actions may not be covered by insurance. There is no assurance that South County Health will not encounter related allegations or problems in the future which may result in material adverse consequences to South County Health's business or financial condition. In addition to the environmental and occupational health and safety laws and regulations that typically apply to South County Health, compliance with pandemic-related occupational health and safety laws may increase operating costs or affect South County Health's ability to recruit and retain employees.

Antitrust Laws. Enforcement of the antitrust laws against health care providers is becoming more common and antitrust liability may arise in a wide variety of circumstances, including medical staff privilege disputes, third-party contracting, physician relations and joint venture, merger, affiliation, and acquisition activities. The Federal Trade Commission has publicly acknowledged increasing enforcement action in the areas of hospital and physician combinations, and enforcement in the health care sector continues to be active. The most common areas for potential liability are joint activities among providers with respect to payor contracting, medical staff credentialing, hospital and physician mergers and acquisitions, and allegations of exclusion of competitors from market opportunities. From time to time, South County Health may be involved in joint contracting activity or affiliation discussions with other hospitals or providers. Violation of the antitrust laws can result in criminal and civil enforcement by federal and state agencies and large financial damages. At various times, South County Health may be subject to an investigation by a governmental agency charged with the enforcement of the antitrust laws or may be subject to administrative or judicial action by a federal or state agency or a private party. Liability may be substantial, depending on the facts and circumstances of each case and may have a material adverse impact on South County Health. See also "—State Transaction Review Laws" and "VARIOUS EMPLOYER-RELATED RISKS COULD ADVERSELY AFFECT OPERATIONS AND FINANCIAL CONDITION — Medical Staff Disputes," below.

State Transaction Review Laws. An increasing number of states, including Rhode Island, recently have considered or enacted legislation designed to review the impact of certain health care transactions on cost, quality, access, need, competition, and other related issues. Some of these transaction review laws require notice to regulators, while others have pre-closing approval requirements. These laws vary in scope and intent, but generally subject health care providers to heightened state regulatory scrutiny and may slow, prevent, or increase the cost of desired business transactions.

Professional Liability Lawsuits and Other Claims. Professional liability and other actions alleging wrongful conduct and seeking punitive damages are often filed against hospitals and other health care providers. Litigation also arises from the corporate and business activities of hospitals, from a hospital's status as an employer, as a result of medical staff or provider network peer review, or the denial of medical staff or provider network privileges. Professional and general liability insurance does not cover all claims and is subject to policy limitations. If the aggregate limit of any of South County Health's professional and general liability policies is exhausted, in whole or in part, it could deplete or reduce the limits available to pay any other material claims applicable to that policy period. Any losses not covered by or in excess of the amounts maintained under insurance policies will be funded from South County Health's working capital. Furthermore, there is no assurance that hospitals will be able to maintain the coverage amounts currently in place in the future, that the coverage will be sufficient to cover malpractice judgments rendered against a hospital or that such coverage will be available at a reasonable cost in the future. Additionally, one or more of South County Health's insurance carriers could become insolvent and unable to fulfill obligations to defend, pay or reimburse South County Health when those obligations become due. In that case, or if payments of claims exceed Management's estimates, or are not covered by South County Health's insurance, it could have a material adverse effect on South County Health's business or financial condition.

Industry Trend Towards Alternative Payment Models and Clinically Integrated Delivery Systems Carries Regulatory Risks and May Negatively Affect Revenues

It is generally expected that alternative payment models, such as value-based purchasing programs that condition reimbursement on patient outcome measures, will become more common and involve a higher percentage of reimbursement amounts. As discussed above, the ACA contains a number of health care delivery reform measures intended to promote value-based purchasing in the federal health care programs and commercial third-party payors are increasingly implementing value-based purchasing and other alternative payment models. This rapid volume-to-value reimbursement shift could present financial challenges for South County Health and the employed or contracted clinicians with whom Soutth County Health partners to deliver care, particularly to the extent they are unable to meet targeted measures.

To keep pace with industry trends, many hospitals and health systems are pursuing clinical integration strategies or other joint ventures with physician groups in order to offer an integrated package of health care services to patients and health care insurers. These integration strategies may take many forms, including (1) ACOs, organizations typically composed of a hospital and certain other health care providers that coordinate patient care and tie payment for that care to the achievement of quality metrics, (2) management service organizations, organizations that provide physicians or physician groups with a combination of financial and managed care contracting services, office and equipment, office personnel and management information systems, (3) physician-hospital organizations, organizations that are typically jointly owned or controlled by a hospital and physician group for the purpose of managed care contracting, implementation and monitoring, and (4) hospital-based clinics or medical practice foundations, which may purchase and operate physician practices as well as provide all administrative services to physicians. Like more traditional health care payors, certain of these integration models, such as ACOs, can subcontract with more traditional payors to act as downstream payors themselves for other providers and, in doing so, can be subject to the inherent financial risks experienced by traditional payors, such as costs associated with erroneous or fraudulent provider claims, which can be quite substantial. Often the start-up capitalization for such structures, as well as ongoing operational costs and deficits, is funded by the sponsoring hospital or health system. Depending on the size and organizational characteristics of a particular strategy, these capital requirements may be substantial. In some cases, the sponsoring hospital or health system may be asked to provide a financial guarantee for the debt of a related entity that is carrying out an integrated delivery strategy. In certain of these structures, the sponsoring hospital or health system may have an ongoing financial commitment to support operating deficits, which may be substantial on an annual or aggregate basis. In addition, participating physicians may seek their independence for a variety of reasons, thus putting the hospital or health system's investment at risk and potentially reducing its managed care leverage and/or overall utilization. If an integrated delivery system structure is not functionally successful, it may produce materially adverse results that are counterproductive to some or all of its goals, including the business and financial condition of the related hospital or health system.

Joint venture and integrated delivery strategies carry with them the potential for legal or regulatory risks in varying degrees. Such ventures or strategies may call into question compliance with federal and state fraud and abuse laws, applicable payor requirements, relevant antitrust laws and federal or state tax exemption. Such risks will turn on the facts specific to the implementation, operation, or future modification of any integrated delivery system. In addition, depending on the type of structure, a wide range of governmental billing and other issues may arise, including questions involving the entity's authorization to bill for or on behalf of the physicians involved. Other related legal and regulatory risks may arise, including those related to employment, pension and benefits, requirements for risk-bearing organizations and corporate practice of medicine, particularly in the current atmosphere of frequent and often unpredictable changes to federal and state legal requirements regarding health care and medical practice. The ability of hospitals or health systems to conduct integrated physician operations may also be altered or eliminated in the future by legal or regulatory interpretation or changes or by health care fraud enforcement. There can be no assurance that South County Health's joint ventures or integrated delivery models will not be subject to investigation or otherwise be found to be in violation of applicable health care rules and regulations.

Competition and Consumer Transparency Could Adversely Affect Patient Volume and Financial Condition

The health care industry is highly competitive. Competition for patients among hospitals and other health care providers has intensified in recent years. Increased competition from this wide variety of sources (e.g., specialty hospitals, other hospitals and health care systems, outpatient facilities, long-term care and skilled nursing services facilities, physician groups, urgent care clinics, telehealth providers, and home health providers) may adversely affect the utilization and revenues of hospitals. If South County Health's competitors are better able to attract patients, deliver services, recruit physicians, expand or integrate services, or obtain favorable payor contracts at their facilities, South County Health may experience an overall decline in patient volumes and revenues. Additionally, quality measures and future trends toward clinical transparency may have an unanticipated impact on South County Health's competitive position and patient volumes. Health care consumers are now able to access hospital performance data on quality measures and patient satisfaction, as well as standard charges for services, to compare competing providers. If any of South County Health's health care facilities achieve poor results (or results that are lower than competitors') on quality measures or patient satisfaction surveys, or if its standard charges are higher than their competitors', South County Health may attract fewer patients. The Transparency Rule (discussed above) which requires the publication of hospital standard charges (including negotiated charges), could also result in market distortion or changes to patient choice that may negatively impact South County Health.

Future competition may arise from new sources not currently anticipated or prevalent. Additionally, scientific and technological advances, new procedures, drugs and devices, preventive medicine, and a trend toward outpatient or home health care delivery may reduce utilization and revenues of hospitals in the future or otherwise lead the way to new avenues of competition. Efforts to reduce hospital readmissions and costs in the overall care continuum will further the use of these new and changing technologies.

Information Technology or Medical Technology Improvements May Be Necessary to Remain Competitive

The ability to adequately price and bill health care items and services and to accurately report financial results depends on the operability of a health care provider's electronic medical record ("EMR")
and other information technology ("IT") systems and the integrity of the data stored within such systems. EMR and IT systems require an ongoing commitment of significant resources to maintain and protect existing systems and to develop new IT systems to keep pace with evolving regulatory standards and technological advances. There can be no assurance that such efforts will be successful or that operational or regulatory issues will not arise. From time to time, providers may choose to change or upgrade EMR systems. Such transfer can be costly and have the potential to disrupt operations and create regulatory issues such as data privacy and security concerns. The implementation of new EMR or IT systems cannot be predicted but may have a material adverse effect on South County Health's business or financial condition.

Medical discoveries and advancements, including the development of new drugs, devices, or procedures, may add significantly to South County Health's cost of providing services, requiring costly new medical technology with no or little offsetting increase in federal or other reimbursement. Moreover, medical advancements also may render obsolete certain health care items and services, thereby either increasing expense or reducing revenues. The ability of South County Health to purchase and offer new medical technology and equipment may be subject to the availability of such equipment, specialists trained in such equipment or technology, governmental approval and payor rates, or the ability to finance such acquisitions or operations. The implementation of new medical technology cannot be predicted but may have a material adverse effect on South County Health's business or financial condition.

Artificial intelligence ("AI") and machine-learning applications are increasingly used in clinical, administrative, and revenue-cycle functions. These tools can improve efficiency, accuracy, and care quality by analyzing large data sets, automating routine tasks, and supporting clinical decisions. Appropriate use of AI may demand capital investment and specialized expertise, and there can be no assurance that South County Health will have sufficient resources to develop, acquire or maintain AI capabilities or that the anticipated operational benefits will materialize. AI also introduces risks, including biased or inaccurate outputs from incomplete data, increased privacy and cybersecurity vulnerabilities, and uncertainty over responsibility for errors. Evolving federal and state regulations may impose additional compliance obligations or restrictions relating to the use of AI.

Future Acquisitions, Divestitures or Other Affiliations Could Require Significant Capital Expenditures and Change the Composition of South County Health

South County Health periodically evaluates and selectively pursues potential merger and affiliation candidates on a consistent basis as part of their overall strategic planning and development process. As a result, it is possible that the entities and assets that currently make up South County Health may change from time to time, subject to provisions in the South County Health master indenture and other financing documents that apply to merger, sale, disposition, or purchase of assets or with respect to joining or withdrawing from the obligated group under the South County Health master indenture. In addition to relationships with hospitals and physicians, South County Health may pursue investments, ventures, affiliations, development, and acquisitions of other health care-related entities. These may include providers of home health care, long-term care entities or operations, pharmaceutical providers and other health care enterprises that support the overall operations and mission of South County Health. In addition, South County Health may pursue transactions with third-party payors, third-party administrators, and other health insurance-related businesses. Because of the rapid integration occurring throughout the health care industry, South County Health will consider such arrangements where there is a perceived strategic or operational benefit. All such initiatives may involve significant capital commitments and/or capital or operating risk. There can be no assurance that these projects, if pursued, will not have a material adverse effect on South County Health's business or financial condition.

Cyber Attacks Could Adversely Affect Operations and Revenues

South County Health relies on IT systems, including EMRs, to operate its facilities and process, transmit and store sensitive and confidential data, including the PHI and personally identifiable information of its patients and employees, and proprietary and confidential business performance data. In the past several years, a number of entities have sought to gain unauthorized access to IT systems of large organizations to misappropriate assets or information or to cause operational disruptions. These attempts may be highly sophisticated. Although South County

Health has implemented network security measures, South County Health's IT systems may still be vulnerable to computer viruses, cyber-attacks by hackers (such as malware or ransomware attacks), or breaches due to internal or external malfeasance or employee error or negligence. Any cybersecurity event that limits a health care provider's ability to access its IT systems or otherwise compromises patient data could result in a variety of unfavorable consequences, such as the disruption or cessation of operations, patient safety issues, the loss of patient records, an inability to submit claims for reimbursement, the payment of significant ransoms, negative press, and/or the imposition of substantial fines or penalties for violation of federal or state privacy laws, any of which may adversely affect a health care provider's business or financial condition.

Cyber-attacks specifically targeted at health systems have been occurring more frequently, and in some recent cases, have resulted in the disruption or temporary cessation of facility operations. DHHS, the Federal Bureau of Investigation, and the Cybersecurity and Infrastructure Security Agency ("CISA") have expressed concern that U.S. hospitals and health care providers are a prime target for cyber-attacks and that such cyber-attacks could result in data theft and disruption of health care services. The Cyber Incident Reporting for Critical Infrastructure Act of 2022 ("CIRCIA") requires covered entities, including hospitals and health systems, to report substantial cyber incidents within 72 hours and any ransomware payments within 24 hours to CISA. CIRCIA requires CISA to promulgate corresponding implementing regulations. The final rule is expected in 2026. The potential impact of any final implementing regulations relating to CIRCIA is unknown at this time.

Cybersecurity threats will continue to evolve, and South County Health may not be able to anticipate certain attack methods in order to implement effective protective measures. As a result, South County Health may be required to expend significant additional resources to continue to monitor, modify and strengthen security measures, investigate, and remediate any vulnerabilities, or invest in new technology designed to mitigate security risks. Additionally, South County Health's IT systems routinely interface with and rely on third party systems that are also subject to the risks outlined above and may not have or use appropriate controls to protect confidential information. A breach or attack affecting a third-party service provider could harm South County Health's business or financial condition. Although South County Health has insurance against some cyber risks and attacks, it may not be sufficient to offset the impact of a material loss event.

Facility Damage Could Adversely Affect Operations and Revenues

Health care providers are highly dependent on the condition and functionality of their physical facilities. Damage from natural or manmade disasters (e.g., earthquakes, wildfires, landslides, floods, tornados, hurricanes, etc.), severe weather, deliberate acts of destruction, terrorism, or various facility system failures may have a material adverse impact on South County Health's business or financial condition, especially if insurance is inadequate to cover resulting property and business losses. Climate change may increase the frequency or severity of extreme weather events and other natural disasters. No assurance is given as to the continuation of existing insurance coverage, which, among other things, may not be available at a reasonable cost in the future.

Various Employer-Related Risks Could Adversely Affect Operations and Financial Conditions

Employee Relationships/Retention. South County Health employs a large number and wide diversity of employees. The ability of South County Health to employ and retain qualified employees, including any senior management, and their ability to maintain good relations with such employees and employee unions (if any) affect the quality of services to patients and the financial condition of South County Health. The ability to employ and retain employees has been complicated by the COVID-19 pandemic, as described below under "Staffing Shortages." Non-competition agreements are commonly used in the health care sector. In April 2024, the Federal Trade Commission issued a final rule broadly prohibiting non-compete clauses for most workers nationwide; however, this rule has been the subject of ongoing litigation and its ultimate enforceability remains uncertain. Any prohibition or limitation on non-competes could exacerbate already existing workforce challenges for hospitals.

Employees subject to collective bargaining agreements may include essential nursing and technical personnel, as well as food service, maintenance, and other trade personnel. Renegotiation of collective bargaining agreements upon expiration may result in significant cost increases. Employee strikes or other adverse labor actions may have an adverse impact on operations, revenue, and facility reputation.

Staffing Shortages. The health care industry occasionally experiences a scarcity of clinical and non-clinical personnel, including primary care physicians, nurses, respiratory therapists, radiation technicians, pharmacists, and other trained health care technicians. A current and significant nationwide nursing shortage is particularly affecting the health care sector and various studies have predicted that physician and nurse shortages will become more acute over time as practitioners retire and patient volume exceeds the growth in new practitioners. Additionally, the COVID-19 pandemic exacerbated staffing shortages, with practitioners and other personnel deciding to leave the health care sector or retire early. In addition, several COVID-19 related factors, such as fear of workplace exposure, vaccination mandates, and difficulties in finding child and elder care, caused a tight job market, generally. Moreover, the Trump administration's immigration policies have had and are expected to continue having a substantial effect on the number of non-U.S. citizens who are able or willing to work in the health care sector. Many employers in a variety of sectors continue to struggle to fill available positions. Personnel shortages may result in increased costs and lost revenues due to the need to hire agency staffing personnel at higher rates, increased compensation levels to retain and recruit personnel, and the inability to operate at capacity due to the staff shortage, any of which could materially adversely impact South County Health's business or financial condition.

Physician Relationships and Supply. The success of South County Health's business depends in significant part on the number, quality, specialties, and admitting and scheduling practices of admitting physicians. Accordingly, it is essential to South County Health's ongoing business that it attract an appropriate number of quality physicians in the specialties required to support its services and that it maintain good relationships with those physicians. A shortage of physicians, especially in primary care, could become a significant issue for health care providers in the coming years. In addition, reductions in Medicare or Medicaid reimbursement and other socioeconomic changes could lead to physicians relocating their practices in communities with fewer Medicare and Medicaid beneficiaries. South County Health may be required to invest additional resources for recruiting and retaining physicians or may be required to increase the percentage of employed physicians in order to continue serving the growing population base and maintain market share.

South County Health may contract with physician organizations (such as independent physician groups) to arrange for the provision of physician and ancillary services. Because many such physician organizations are separate legal entities with their own goals, obligations to owners, financial status, and personnel, there are risks involved in contracting with physician organizations.

In recruiting, retaining and otherwise contracting with physicians, South County Health will be limited by applicable state and federal regulations. For example, failure to comply with IRS rules regarding appropriate physician recruitment could result in loss of tax-exempt status and failure to structure a contractual arrangement with a physician to comply with the AKS or Stark Law (as discussed above) could result in substantial fines, penalties, or exclusion from the federal health care programs. No assurance can be given that regulatory authorities will not take the position that South County Health's physician arrangements are not in material compliance with applicable laws and regulations or that South County Health will not be found to have violated applicable law. Additionally, future laws, regulations or policies may have a material adverse impact on the ability of South County Health to recruit and retain physicians.

Pension and Benefit Fund Liabilities. South County Health may incur significant expenses to fund pension and benefit plans for employees and former employees and to fund required workers' compensation benefits. Funding obligations in some cases may be erratic or unanticipated and may require significant commitments of available cash needed for other purposes. In addition, to the extent investment returns are lower than anticipated or losses on investments occur, South County Health may also be required to make additional deposits in connection with pension fund liabilities.

Wage and Hour Class Actions and Litigation. Federal law and many states impose standards related to worker classification, eligibility and payment for overtime, liability for providing rest periods and similar requirements. Large employers with complex workforces are susceptible to actual and alleged violations of these standards. In recent years, there has been a proliferation of "wage and hour" lawsuits, often in the form of large, sometimes multistate, class actions. For large employers such as hospitals and health systems, such class actions can involve multi-million-dollar claims, judgments and/or settlements. A major class action decided or settled adversely to South County Health could have a material adverse impact on South County Health's business or financial condition.

Medical Staff Disputes. The primary relationship between a hospital and physicians who practice in it is through the hospital's organized medical staff. Medical staff bylaws, rules and policies establish the criteria and procedures by which a physician may have their privileges or membership curtailed, denied, or revoked. Physicians who are denied medical staff membership or certain clinical privileges or who have such membership or privileges curtailed or revoked often file legal actions against hospitals and medical staffs. Such actions may include a wide variety of claims, including antitrust claims, some of which could result in substantial uninsured damages to a hospital. Furthermore, from time to time, actions or decisions of hospital management may cause unrest among certain physician groups or members of the medical staff, which could result in legal or other actions, such as resignation from the medical staff. In addition, failure of the hospital governing body to adequately oversee the conduct of its medical staff may result in hospital liability to third parties.

IRS Reclassification of Independent Contractors and Employees. Health care providers, like all businesses, are required to withhold income taxes from amounts paid to employees. If the employer fails to withhold the correct tax, the employer becomes liable for payment of the tax imposed on the employee. The IRS has established criteria for determining whether a worker is an employee or an independent contractor for tax purposes. If the IRS were to reclassify a significant number of hospital independent contractors (e.g., physician medical directors) as employees, back taxes and penalties could be material

The Non-Profit Health Care Environment Carries Certain Risks

As a nonprofit tax-exempt organization, South County Health is subject to federal, state and local laws, regulations, rulings and court decisions relating to their organization and operation, including its operation for charitable purposes. At the same time, South County Health conducts large-scale complex business transactions and is a major employer in its geographic area. There can often be a tension between the rules designed to regulate a wide range of charitable organizations and the day-to-day operations of a complex health care organization. An increasing number of the operations or practices of health care providers have been challenged or questioned to determine if they are in compliance with the regulatory requirements for nonprofit tax-exempt organizations. These challenges, in some cases, are broader than concerns about compliance with federal and state statutes and regulations, such as Medicare and Medicaid compliance, and instead, in many cases, are examinations of core business practices of the health care organizations. Areas that have come under examination have included pricing practices, physician financial relationships, billing and collection practices, charity care, executive compensation, exemption of property from real property and sales taxation and others. These challenges and questions have come from a variety of sources, including state attorneys general, the IRS, labor unions, Congress, state legislatures, local school boards, other federal and state agencies and patients and in a variety of forums, including hearings, audits and litigation. For example, Senate and House committees have held Congressional hearings on tax-exempt hospital spending, conducted nationwide investigations of hospital billing and collection practices, and proposed reform in the area of tax-exempt organizations as a part of health care reform generally. The effect of any examinations, investigations, or challenges to the nonprofit status of health care organizations cannot be predicted. There can be no assurance that future changes in state or federal laws and regulations relating to nonprofits will not adversely affect the operations and financial condition of South County Health.

Litigation Related to Billing and Collection Practices. Lawsuits have been filed in both federal and state courts alleging, among other things, that hospitals have failed to fulfill their obligations to provide charity care to uninsured patients and have overcharged uninsured/medically indigent patients. The cases are proceeding in various courts around the country with inconsistent results. While it is not possible to make general predictions, some hospitals and health systems have incurred substantial costs in defending such lawsuits and in some cases have entered into substantial settlements.

Challenges to Real Property Tax-Exemptions. The real property tax exemptions afforded to certain nonprofit health care providers by state and local taxing authorities have been challenged on the grounds that the health care providers were not engaged in sufficient charitable activities. These challenges have been based on a variety of grounds, including allegations of aggressive billing and collection practices and excessive financial margins. Any investigations or audits by the State of Rhode Island or other governmental entities could lead to challenges with regard to property tax exemption with respect to facilities of South County Health which, if successful, could adversely and materially affect the property tax exemption with respect to certain of the facilities.

Uncompensated Care/Community Benefit. Tax-exempt hospitals often treat large numbers of low-income patients who are unable to pay in full for their medical care. General economic conditions that affect the number of employed individuals who have health coverage affect the ability of patients to pay for health care. A downturn of economic conditions could increase the number of uninsured, underinsured, and low-income patients. Similarly, changes in law or policy resulting in coverage exclusions under governmental health care programs, or otherwise tightening Medicaid eligibility requirements may increase the number of uninsured patients and the frequency and severity of charity care treatment by such hospitals and other providers. As noted above, OBBBA changes are generally expected to result in a significant increase in the uninsured population due to a decrease in Medicaid enrollment and enrollment in ACA Insurance Exchange plans. It is also possible that future federal legislation could require that tax exempt hospitals maintain minimum levels of charity care as a condition of federal income tax exemption and exemption from certain state and local taxes.

Enforcement of Remedies May Be Limited or Delayed By Bankruptcy or Other Laws

If South County Health were to file a petition for relief under the Bankruptcy Code, the filing would operate as an automatic stay of the commencement or continuation of any judicial or other proceeding against South County Health and any interest it has in its property. If the bankruptcy court so ordered, South County Health property, including accounts receivable and proceeds thereof, could be used, at least temporarily, for the benefit of the bankruptcy estate despite the claims of its creditors.

In a case under the current Bankruptcy Code, South County Health could file a plan of reorganization. The plan is the vehicle for satisfying, and provides for the comprehensive treatment of, all claims against South County Health and could result in the modification of rights of any class of creditors, secured or unsecured. To confirm a plan of reorganization, with one exception discussed below, it must be approved by the vote of each class of impaired creditors. A class approves a plan if, of those who vote, those holding more than one-half in number and two-thirds in amount vote in favor of such plan. Approval by classes of interests requires a vote in favor of the plan by two-thirds in amount. If these levels of votes are attained, those voting against the plan or not voting at all are nonetheless bound by the terms thereof. Other than as provided in the confirmed plan, all claims and interests are discharged and extinguished. If fewer than all of the impaired classes accept the plan, the plan may nevertheless be confirmed by the bankruptcy court, and the dissenting claims and interests would be bound thereby. For this to occur, one of the impaired classes must vote to accept the plan and the bankruptcy court must determine that the plan does not "discriminate unfairly" and is "fair and equitable" with respect to the nonconsenting class or classes. The Bankruptcy Code establishes different fair and equitable tests for secured claims and interest holders. For a plan to be confirmed, the bankruptcy court must also determine, among other requirements, that it provides creditors with not less than would be received in the event of liquidation and is proposed in good faith, and that the debtor's performance is feasible.

Maintenance of Tax-Exempt Status is Dependent Upon Compliance with Various Laws and Regulations

South County Health is an organization described in Section 501(c)(3) of the Code. The maintenance of such status is contingent on compliance with general rules based on the Code, Treasury regulations and judicial decisions regarding the organization and operation of tax-exempt hospitals and health systems, including their operation for charitable and other permissible purposes and their avoidance of transactions that may cause their earnings or assets to inure to the benefit of private individuals. As these general principles were developed primarily for public charities that do not conduct large-scale technical operations and business activities, they often do not adequately address the myriad of operations and transactions entered into by a modern health care organization. Although traditional activities of health care providers, such as medical office building leases, have been the subject of interpretations by the IRS in the form of private letter rulings, many activities or categories of activities have not been fully addressed in any official opinion, interpretation or policy of the IRS. The interpretation of the IRS and its position on these rules as they affect the organization and operation of health care organizations (for example, with respect to providing charity care, joint ventures, physician and executive compensation, physician recruitment and retention, etc.) are constantly evolving. The IRS can and in fact occasionally does alter or reverse its positions concerning tax-exemption issues, even concerning long-held positions upon which tax-exempt health care organizations have relied.

In addition to violations of the Code, the IRS has asserted that tax-exempt hospitals that are in violation of Medicare and Medicaid regulations regarding inducement for referrals may also be subject to revocation of their tax-exempt status. Because a wide variety of hospital physician transactions potentially violate these broadly stated prohibitions on inducement for referrals, the IRS has broadened the range of activities that may directly affect tax exemption, without defining specifically how those rules will be applied. As a result, tax-exempt hospitals, particularly those that have extensive transactions with physicians, are currently subject to an increased degree of scrutiny and, potentially, enforcement activities by the IRS. The policy position of the IRS is not necessarily indicative of a judicial determination of the applicable issues.

Section 4958 of the Code imposes excise taxes on "excess benefit transactions" between "disqualified persons" and tax-exempt organizations such as South County Health. According to the legislative history and regulations associated with Section 4958, these excise taxes may be imposed by the IRS either in lieu of or in addition to revocation of exemption. These intermediate sanctions may be imposed in situations in which a "disqualified person" (such as an "insider") engages in "excess benefit transactions" such as (1) a transaction with a tax-exempt organization on other than a fair market value basis, (2) receipt of unreasonable compensation from a tax-exempt organization or (3) receipt of payment in an arrangement that otherwise violates the prohibition against private inurement. A disqualified person who benefits from an excess benefit transaction will be subject to an excise tax equal to 25% of the amount of the excess benefit. Organization managers who participate in the excess benefit transaction knowing it to be improper are subject to an excise tax equal to 10% of the amount of the excess benefit, subject to a maximum penalty of $20,000 per transaction. A second penalty, in the amount of 200% of the excess benefit, may be imposed on the disqualified person (but not upon the organization manager) if the excess benefit is not corrected within a specified period of time. Fair market value and reasonable compensation for tax purposes typically reflect a range rather than a specific dollar amount, and the IRS does not rule in advance on whether a transaction results in more than fair market value payment or more than reasonable compensation to a disqualified person. Although it is not possible to predict what enforcement action, if any, the IRS might take related to potential excess benefit transactions, consistent with the legislative history of Section 4958, regulations issued by the IRS indicate that not all excess benefit transactions jeopardize exempt status. Rather, the IRS will consider all relevant facts and circumstances, including the size and scope of the organization's activities that further exempt purposes; the size, scope and frequency of any excess benefit transactions; whether the organization has implemented appropriate safeguards reasonably designed to prevent future excess benefit; and whether the organization has corrected, or made good faith efforts to correct, any excess benefit such as by obtaining repayment of the amount of any excess benefit.

The legislative history of Section 4958 is potentially favorable to taxpayers because it provides the IRS with a punitive option short of revoking tax-exempt status to deal with incidents of private inurement. However, the standards for tax exemption have not been changed, including the requirement that no part of the net earnings of an exempt entity inure to the benefit of any private individual. Consequently, although the IRS has only infrequently revoked the tax exemption of nonprofit health care corporations in the past, the risk of revocation remains and there can be no assurance that the IRS will not direct enforcement activities against South County Health.

In certain cases, the IRS has imposed substantial monetary penalties and future charity care or public benefit obligations on tax-exempt hospitals in lieu of revoking their tax-exempt status, as well as requiring that certain transactions be altered, terminated, or avoided in the future and/or requiring governance or management changes. These penalties and obligations are typically imposed on the tax-exempt hospital pursuant to a "closing agreement" with respect to the hospital's alleged violation of Section 501(c)(3) exemption requirements. Given the uncertainty regarding how tax-exemption requirements may be applied by the IRS, South County Health is, and will be, at risk for incurring monetary and other liabilities imposed by the IRS through this "closing agreement" or similar process. Like certain of the other business and legal risks described herein which apply to large multihospital systems, these liabilities are probable from time to time for some systems in the nonprofit health care industry and could be substantial, in some cases involving millions of dollars, and in extreme cases could be materially adverse.

South County Health and its exempt affiliates may enter into joint ventures with for-profit parties for the ownership and operation of certain medical facilities. The rules applicable to such joint ventures are complex, and while management believes that all of South County Health's affiliated joint ventures are in compliance with such rules currently, any change in or violation of the applicable rules could adversely affect the tax-exempt status of South County Health or an exempt affiliate as an organization described in section 501(c)(3) of the Code. Such as a change or violation may also require the dissolution of one or more joint ventures, which could have material adverse consequences to South County Health.

The ACA also contains requirements for tax-exempt hospitals through Section 501(r) of the Code. Under the ACA, each tax-exempt hospital is required to (i) conduct a community health needs assessment at least every three years and adopt an implementation strategy to meet the identified community needs, (ii) adopt, implement and widely publicize a written financial assistance policy that includes the Section 501(r) minimum statutory and regulatory requirements and a policy to provide emergency medical treatment without discrimination, (iii) limit charges to individuals who qualify for financial assistance under such tax-exempt hospital's financial assistance policy to no more than the amounts generally billed to individuals who have insurance covering such care and refrain from using "gross charges" when billing such individuals, and (iv) refrain from taking extraordinary collection actions without first making reasonable efforts to determine whether the individual is eligible for assistance under such tax-exempt hospital's financial assistance policy.

The Secretary of the U.S. Department of the Treasury issued final regulations under Section 501(r) of the Code that provide detailed and comprehensive guidance relating to requirements for community health needs assessments, financial assistance policies, emergency medical care policies, limitations on charges and billing and collection practices, and also provide guidance on consequences of failure to satisfy Section 501(r) requirements. These final regulations are complex and may be administratively burdensome to implement.

In addition, the U.S. Department of the Treasury is required to review information about each tax-exempt hospital's community benefit activities at least once every three years, as well as to submit an annual report to Congress with information generally regarding the levels of charity care, bad debt expenses, unreimbursed costs of government programs, and costs incurred by private tax-exempt hospitals for community benefit activities. The periodic reviews and reports to Congress regarding the community benefits provided by 501(c)(3) hospitals may increase the likelihood that Congress will require such hospitals to provide a minimum level of charity care in order to retain tax-exempt status and may increase IRS scrutiny of particular 501(c)(3) hospital organizations.

In general, certain failures to comply with Section 501(r) requirements may be corrected if such failures are not willful or egregious and certain correction and disclosure procedures are followed. In other circumstances, an organization's failure to meet one or more Section 501(r) requirements could endanger the organization's Section 501(c)(3) status as of the first day of the tax year in which a failure occurs. In addition, an organization may be subject to certain excise taxes if a hospital fails to maintain the requirements concerning community health needs assessments.

The IRS conducts audits of exempt organizations and considers a wide range of possible issues, including the community benefit standard, private inurement and private benefit, partnerships and joint ventures, retirement plans and employee benefits, employment taxes, tax-exempt bond financing, political contributions, and unrelated business income. In addition, the IRS conducts compliance checks and correspondence audits that focus initially on limited issues, such as executive compensation, unrelated business income or community benefit. Such limited-scope reviews can be expanded in certain circumstances to include a variety of other issues as in a Team Examination Program ("TEP") audit. The IRS has periodically conducted audit and other enforcement activity regarding tax-exempt health care organizations. Certain audits are conducted by teams of revenue agents, often take years to complete and require the expenditure of significant staff time by both the IRS and the audited organization.

South County Health could be audited by the IRS. Because of the complexity of the tax laws and the presence of issues about which reasonable persons can differ, a TEP or other audit could result in additional taxes, interest, and penalties. A TEP or other audit also could potentially affect the tax-exempt status of any of South County Health.

If the IRS were to find that South County Health has participated in activities in violation of certain regulations or rulings, the tax-exempt status of such entity could be in jeopardy. Although the IRS has not frequently revoked the 501(c)(3) tax-exempt status of nonprofit health care organizations, it could do so in the future. Any such event would have material adverse consequences on the future business or financial condition of South County Health. Additionally, the loss of federal tax-exempt status by South County Health could adversely affect its access to future tax-exempt financing.

The IRS and state, county and local taxing authorities may undertake audits and reviews of the operations of tax-exempt organizations with respect to the generation of unrelated business taxable income ("UBTI"). An investigation or audit could lead to a challenge that could result in taxes, interest and penalties with respect to UBTI and, in some cases, ultimately could affect the tax exempt status of South County Health.

Miscellaneous Risk Factors

The following factors, among others, may also adversely affect the operation of health care providers, including South County Health, to an extent that cannot be determined at this time:

- Any business disruptions at third-party vendors on which South County Health relies for services, such as health care payment and revenue cycle management companies.
- Cost increases without corresponding increases in revenue.
- Any termination or alteration of existing agreements with individual physicians or physician groups that render services to South County Health patients.
- An inflationary economy or recession.
- Any inability to obtain future governmental approvals to undertake projects necessary to remain competitive as to both rates and charges as well as to quality and scope of care.
- Laws requiring particular staffing levels at medical facilities (e.g., nurse-to-patient staffing ratios).
- State or federal imposition of higher minimum or living wages.
- The outcome of presidential or other political elections, or political or civil unrest.

- Climate change.
- The adoption of legislation or implementation of regulations establishing a national or statewide single-payor health care program or that would establish national, statewide, or otherwise regulated rates and/or limit increases in rates charged by health care providers.
- Expanded use of AI.
- An outbreak or escalation of hostilities (including, without limitation, an act of terrorism or war) or a national or international calamity or crisis.

APPENDIX C

DEFINITIONS OF CERTAIN TERMS UNDER THE ENERGY RESILIENCE AND PERFORMANCE AGREEMENT

The following is a summary of certain terms used in the Energy Resilience and Performance Agreement. This summary does not purport to be complete and reference is made to the Energy Resilience and Performance Agreement for the detailed provisions thereof. This summary is qualified in its entirety by such reference.

"**Acceptable Operator**"	(i) Any third party operator designated from time to time pursuant to the provisions of the Direct Agreement, or (ii) any other operator which (a) has entered into arrangements to operate the Energy Assets satisfactory to South County Health and has at least [three (3)] years' experience operating facilities similar to the Energy Assets and (b) is otherwise reasonably satisfactory to South County Health (not to be unreasonably withheld, conditioned or delayed).
"**Account Balances**"	All amounts standing to the credit of any bank account held by or on behalf of the Borrower at the date the ERPA is terminated.
"**Affiliate**"	As applied to a Person, any other Person directly or indirectly controlling, controlled by, or under common control with, that Person, where "control" means, with respect to the relationship between or among two or more Persons, the possession, directly or indirectly or as trustee, personal representative or executor, of the power to direct or cause the direction of the affairs or management of a Person, whether through the ownership of voting rights, as trustee, personal representative or executor, by statute, contract, credit arrangement or otherwise, including the ownership, directly or indirectly, of securities having the power to elect a majority of the board of directors or similar body governing the affairs of such Person.
"**Agreement Date**"	The date the ERPA is signed by Borrower and South County Health.
"**Allowable Offsets**"	Is defined in Appendix A to the Official Statement (*Information Concerning The Borrower, The Energy Projects And Certain Material Contracts*).
"**Annual Savings**"	Is defined in Appendix A to the Official Statement (*Information Concerning The Borrower, The Energy Projects And Certain Material Contracts*).
"**Base Capacity Charge**"	A fixed portion of the Capacity Charge as set forth in the ERPA.
"**Base Operational Charge**"	A fixed portion of the Capacity Charge as set forth in the ERPA.
"**Borrower Default**"	Is defined in Appendix A to the Official Statement (*Information Concerning The Borrower, The Energy Projects And Certain Material Contracts*).
"**Borrower Person**"	The Borrower and its Affiliates, and their respective officers, directors, employees, agents, representatives, subcontractors, and any Person performing work or Services on behalf of the Borrower.
"**Capacity Charge**"	Is defined in Appendix A to the Official Statement (*Information Concerning The Borrower, The Energy Projects And Certain Material Contracts*).

"**Casualty Property Loss Event**"	An event that South County Health and Borrower agree caused a magnitude of damage and destruction to the Project Sites or the Energy Projects such that it renders all or a portion of the Energy Projects condemned or otherwise incapable of use by South County Health for the purposes identified in the ERPA or has caused Borrower to lose access to the Project Sites such that Borrower cannot reasonably perform its obligations under the ERPA.
"**Change in Law**"	Any change to any applicable law on or following the Agreement Date that directly and materially requires South County Health or Borrower to change the scope, manner, or legal requirements for performing the work or Services, or directly and materially increases Borrower's cost of performing the work or Services, including but not limited to changes in tariffs, but excluding (i) changes in general economic or market conditions, (ii) changes in labor, supply, commodity, financing, insurance or general business costs and (iii) taxes of general applicability.
"**Change Order**"	A written agreement between the Parties to change, modify, eliminate, reduce, adjust or modify the Energy Projects, the Services, and any amounts to be paid under the ERPA therefor.
"**Code**"	Is defined in Appendix A to the Official Statement (*Information Concerning The Borrower, The Energy Projects And Certain Material Contracts*).
"**Collateral Agent**"	Is defined in Appendix A to the Official Statement (*Information Concerning The Borrower, The Energy Projects And Certain Material Contracts*).
"**Collateral**"	Is defined in "SECURITY AND SOURCES OF REPAYMENT OF THE SERIES 2026 BONDS" in the Official Statement.
"**Concession Fee**"	Is defined in Appendix A to the Official Statement (*Information Concerning The Borrower, The Energy Projects And Certain Material Contracts*).
"**Concession Rights**"	Is defined in Appendix A to the Official Statement (*Information Concerning The Borrower, The Energy Projects And Certain Material Contracts*).
"**Contractor Breakage Costs**"	Any loss, damages, injury, liability, obligation, cost, expense, fee (including attorney and expert witness fees and expenses), charge, tax, judgment, penalty, or fine, including injury to or death of Persons, including any stranded investment or cost relating to Third-Party Offtaker Agreements, that have been or will be reasonably and properly incurred by the Borrower or Optimum (without duplication) under a contract as a direct result of the termination of the ERPA (and which shall not include lost profit or lost opportunity).
"**CPI Escalator**"	The arithmetic average of the annual percentage changes in the U.S. Bureau of Labor Statistics Consumer Price Index for All Urban Consumers, U.S. City Average, All Items, Not Seasonally Adjusted (CPI-U), calculated for each of the three (3) consecutive twelve-month periods ending with the calendar month that is two (2) months prior to the applicable adjustment date, with the percentage change for each such twelve-month period determined by comparing the index published for the final calendar month of such period with the index published for the corresponding calendar month of the prior year.

"**D&C Work**"	Is defined in Appendix A to the Official Statement (*Information Concerning The Borrower, The Energy Projects And Certain Material Contracts*).
"**Debt Assumption Option**"	Is defined in Appendix D to the Official Statement (*Summary Of Certain Provisions Of The Energy Resilience And Performance Agreement*).
"**Delinquent Payment Rate**"	A variable rate per annum equal to the WSJ Prime Rate (as published from time to time in the Money Rates section of The Wall Street Journal) plus an additional 1.00%, or the maximum interest rate permitted by Rhode Island law, whichever is less. If The Wall Street Journal ceases to publish the WSJ Prime Rate, the index will default to the Federal Reserve Bank Prime Rate (as published in the Federal Reserve Statistical Release H.15 or its successor). If the Federal Reserve Bank Prime Rate is also unavailable, South County Health may select (subject to Borrower's consent) a reasonably similar benchmark index based on the prime lending rate of a major U.S. commercial bank.
"**Developer Fee**"	The developer fee aligning with the Service Year in which the ERPA is terminated, as set forth in Table 14-1 in Exhibit 14 to the ERPA.
"**Direct Agreement**"	Is defined in Appendix A to the Official Statement (*Information Concerning The Borrower, The Energy Projects And Certain Material Contracts*).
"**DOH**"	Is defined in Appendix A to the Official Statement (*Information Concerning The Borrower, The Energy Projects And Certain Material Contracts*).
"**Energy Assets Capacity Requirements**"	Is defined in Appendix A to the Official Statement (*Information Concerning The Borrower, The Energy Projects And Certain Material Contracts*).
"**Energy Assets Improvements**"	Is defined in Appendix A to the Official Statement (*Information Concerning The Borrower, The Energy Projects And Certain Material Contracts*).
"Energy Assets Project Fund"	Is defined in Appendix A to the Official Statement (Information Concerning The Borrower, The Energy Projects And Certain Material Contracts).
"**Energy Assets**"	Is defined in Appendix A to the Official Statement (*Information Concerning The Borrower, The Energy Projects And Certain Material Contracts*).
"**Energy Performance Standards**"	Is defined in Appendix A to the Official Statement (*Information Concerning The Borrower, The Energy Projects And Certain Material Contracts*).
"**Energy Projects**"	Is defined in Appendix A to the Official Statement (*Information Concerning The Borrower, The Energy Projects And Certain Material Contracts*).
"**Energy Requirements**"	Is defined in Appendix A to the Official Statement (*Information Concerning The Borrower, The Energy Projects And Certain Material Contracts*).
"**Energy Services**"	Is defined in Appendix A to the Official Statement (*Information Concerning The Borrower, The Energy Projects And Certain Material Contracts*).

"**ERPA Term**"	Is defined in Appendix A to the Official Statement (*Information Concerning The Borrower, The Energy Projects And Certain Material Contracts*).
"**ERPA**"	Is defined in Appendix A to the Official Statement (*Information Concerning The Borrower, The Energy Projects And Certain Material Contracts*).
"**Excess Capacity Services**"	Is defined in Appendix A to the Official Statement (*Information Concerning The Borrower, The Energy Projects And Certain Material Contracts*).
"**Existing South County Indebtedness**"	Is defined in "THE PLAN OF FINANCE" in the Official Statement.
"**Financial Close**"	Is defined in Appendix A to the Official Statement (*Information Concerning The Borrower, The Energy Projects And Certain Material Contracts*).
"**Financial Projections**"	Is defined in Appendix A to the Official Statement (*Information Concerning The Borrower, The Energy Projects And Certain Material Contracts*).
"**Guaranteed Savings Shortfall**"	Is defined in Appendix A to the Official Statement (*Information Concerning The Borrower, The Energy Projects And Certain Material Contracts*).
"**Guaranteed Savings**"	Is defined in Appendix A to the Official Statement (*Information Concerning The Borrower, The Energy Projects And Certain Material Contracts*).
"**Health System Default**"	Is defined in Appendix A to the Official Statement (*Information Concerning The Borrower, The Energy Projects And Certain Material Contracts*).
"**Improvements**"	Is defined in Appendix A to the Official Statement (*Information Concerning The Borrower, The Energy Projects And Certain Material Contracts*).
"**Independent Manager**"	Is defined in Appendix A to the Official Statement (*Information Concerning The Borrower, The Energy Projects And Certain Material Contracts*).
"**In-Kind Energy Asset Improvement Funds**"	The portion of the Series 2026 Bonds deposited into a custody account for Borrower to pay Optimum for Energy Asset Improvements.
"**Insolvency Event**"	With respect to a Person any of the following events: (a) such Person admits in writing its inability to pay its debts generally as they become due, becoming insolvent, or ceasing to carry on business, (b) an involuntary assignment for the benefit of all the creditors of such Person, or the liquidation of such Person, (c) such Person files a bankruptcy petition, (d) the filing of an involuntary bankruptcy petition against such Person by any Person other than such Person, which proceeding is not dismissed within ninety (90) days of its filing; or (e) a receiver, receiver manager, liquidator or other encumbrance holder taking possession of or being appointed over, or any distress, execution or other process being levied or enforced upon, the whole or any material part of the assets of such Person.
"**KPI Reconciliation Amount**"	Is defined in Appendix A to the Official Statement (*Information Concerning The Borrower, The Energy Projects And Certain Material Contracts*).

"**KPI**"	Is defined in Appendix A to the Official Statement (*Information Concerning The Borrower, The Energy Projects And Certain Material Contracts*).
"**Lender Make-Whole Premium Amount**"	Any prepayment premiums or penalties, make-whole payments, mark-to-market payments or other prepayment amounts, including costs of early termination of interest rate and inflation rate hedging, swap, collar or cap arrangements, that the Borrower must pay, or that may be payable or credited to the Borrower, under the Financing Documents or otherwise as a result of the payment, redemption or acceleration of all or any portion of the principal amount of the Series 2026 Bonds prior to their respective scheduled payment date payable pursuant to the Financing Documents by the Borrower as part of the Lenders' Liabilities.
"**Lenders' Liabilities**"	Is defined in Appendix A to the Official Statement (*Information Concerning The Borrower, The Energy Projects And Certain Material Contracts*).
"**Loan Agreement**"	Is defined in the Introduction to the Official Statement.
"**Maintenance Charge**"	Is defined in Appendix A to the Official Statement (*Information Concerning The Borrower, The Energy Projects And Certain Material Contracts*).
"**Maintenance Repairs**"	Is defined in Appendix A to the Official Statement (*Information Concerning The Borrower, The Energy Projects And Certain Material Contracts*).
"**Maintenance Reserve Account**"	An account established by Collateral Agent to be used by the Developer to fund the Energy Assets, Lifecycle Work or to be used to restore and replace such Energy Assets following casualty damages stemming from an uninsured casualty loss.
"**Material Action**"	Is defined in Appendix A to the Official Statement (*Information Concerning The Borrower, The Energy Projects And Certain Material Contracts*).
"**Monthly Reconciliation**"	Is defined in Appendix A to the Official Statement (*Information Concerning The Borrower, The Energy Projects And Certain Material Contracts*).
"**O&M Services**"	Is defined in Appendix A to the Official Statement (*Information Concerning The Borrower, The Energy Projects And Certain Material Contracts*).
"**OIG**"	Is defined in Appendix A to the Official Statement (*Information Concerning The Borrower, The Energy Projects And Certain Material Contracts*).
"**Operating Agreement**"	Is defined in Appendix A to the Official Statement (*Information Concerning The Borrower, The Energy Projects And Certain Material Contracts*).
"**Optimum Work**"	Is defined in Appendix A to the Official Statement (*Information Concerning The Borrower, The Energy Projects And Certain Material Contracts*).
"**Optimum**"	Is defined in Appendix A to the Official Statement (*Information Concerning The Borrower, The Energy Projects And Certain Material Contracts*).
"**Permitted Borrower Transferee**"	A Person that the Borrower reasonably determines (i) has the legal capacity, power and authority to become a party to and perform the

	Borrower's obligations, (ii) has sufficient competence and resources to perform those obligations and (iii) would not, by assuming the Borrower's rights and obligations, adversely affect the tax-exempt status of interest on any tax-exempt portion of the Series 2026 Bonds then outstanding.
"**Permitted Health System Transferee**"	(i) Any equally capitalized and financially capable Affiliate of South County Health or (ii) any Person approved by Borrower; provided, that any such Affiliate or Person shall have delivered to Collateral Agent: (a) written confirmation from each rating agency then maintaining a rating on the Series 2026 Bonds that such sale, assignment or transfer, as applicable, to any such Person will not, by itself, result in a reduction of the then current rating on the Series 2026 Bonds, and (b) a favorable opinion of bond counsel.
"**Permitted Third-Party Offtaker**"	Is defined in Appendix A to the Official Statement (*Information Concerning The Borrower, The Energy Projects And Certain Material Contracts*).
"**Person**"	A natural person or any corporation, limited liability company, partnership, trust, or other juridical entity.
"**PIA Term Limit**"	Is defined in Appendix A to the Official Statement (*Information Concerning The Borrower, The Energy Projects And Certain Material Contracts*).
"**PIA Term**"	Is defined in Appendix A to the Official Statement (*Information Concerning The Borrower, The Energy Projects And Certain Material Contracts*).
"**Project Implementation Agreement**"	Is defined in Appendix A to the Official Statement (*Information Concerning The Borrower, The Energy Projects And Certain Material Contracts*).
"**Project Sites**"	Is defined in Appendix A to the Official Statement (*Information Concerning The Borrower, The Energy Projects And Certain Material Contracts*).
"**Refinancing**"	Is defined in Appendix D to the Official Statement (*Summary Of Certain Provisions Of The Energy Resilience And Performance Agreement*).
"**Relief Event**"	A Change in Law or another event outside the Borrower's reasonable control that directly and materially interferes with the Borrower's work or Services, including severe weather, hidden site or environmental conditions, utility or permit failures, South County Health's acts or omissions, interference from other work at the Project Sites, or a court order, except to the extent caused or materially worsened by the Borrower or those performing work for it.
"**Remedial Event**"	Is defined in Appendix D to the Official Statement (*Summary Of Certain Provisions Of The Energy Resilience And Performance Agreement*).
"**Retained Assets Improvements**"	Is defined in Appendix A to the Official Statement (*Information Concerning The Borrower, The Energy Projects And Certain Material Contracts*).
"**Retained Assets Services**"	Is defined in Appendix A to the Official Statement (*Information Concerning The Borrower, The Energy Projects And Certain Material Contracts*).

"**Retained Assets**"	Is defined in Appendix A to the Official Statement (*Information Concerning The Borrower, The Energy Projects And Certain Material Contracts*).
"**Schedule of Values**"	Is defined in Appendix A to the Official Statement (*Information Concerning The Borrower, The Energy Projects And Certain Material Contracts*).
"**Service Lapse**"	Is defined in Appendix A to the Official Statement (*Information Concerning The Borrower, The Energy Projects And Certain Material Contracts*).
"**Services Charge**"	Is defined in Appendix A to the Official Statement (*Information Concerning The Borrower, The Energy Projects And Certain Material Contracts*).
"**Services Period**"	The Services commencement date through the end of the ERPA Term.
"**Services Year**"	Is defined in Appendix A to the Official Statement (*Information Concerning The Borrower, The Energy Projects And Certain Material Contracts*).
"**Services**"	Is defined in Appendix A to the Official Statement (*Information Concerning The Borrower, The Energy Projects And Certain Material Contracts*).
"**South County Endowment**"	Is defined in Appendix A to the Official Statement (*Information Concerning The Borrower, The Energy Projects And Certain Material Contracts*).
"**South County Health**"	Is defined in Appendix A to the Official Statement (*Information Concerning The Borrower, The Energy Projects And Certain Material Contracts*).
"**South County Hospital**"	Is defined in Appendix A to the Official Statement (*Information Concerning The Borrower, The Energy Projects And Certain Material Contracts*).
"**Start-up Services Commencement Date**"	Is defined in Appendix D to the Official Statement (*Summary Of Certain Provisions Of The Energy Resilience And Performance Agreement*).
"**Start-up Services**"	Is defined in Appendix D to the Official Statement (*Summary Of Certain Provisions Of The Energy Resilience And Performance Agreement*).
"**Thermal Energy**"	Is defined in Appendix A to the Official Statement (*Information Concerning The Borrower, The Energy Projects And Certain Material Contracts*).
"**Third-Party Offtaker Agreement**"	Is defined in Appendix A to the Official Statement (*Information Concerning The Borrower, The Energy Projects And Certain Material Contracts*).

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APPENDIX D

SUMMARY OF CERTAIN PROVISIONS OF THE ENERGY RESILIENCE AND PERFORMANCE AGREEMENT

The following is a summary of certain provisions of the Energy Resilience and Performance Agreement that are not otherwise described in the forepart of this Official Statement or Appendix A - "Information Concerning the Borrower, the Energy Projects and Certain Material Contracts." This summary does not purport to be complete and reference is made to the Energy Resilience and Performance Agreement for the detailed provisions thereof. This summary is qualified in its entirety by such reference. Capitalized terms used but not defined in in this summary have the meanings set forth in the forepart of this Official Statement or Appendix C – "Definitions of Certain Terms Under the Energy Resilience and Performance Agreement."

TERMINATION.

Borrower Termination Options. Borrower may terminate the ERPA by written notice if (i) a Change in Law substantially prevents South County Health or a Borrower Person from performing its obligations, (ii) a Health System Default remains uncured after the applicable cure period, or (iii) if a Casualty Property Loss Event occurs. Borrower may not terminate the ERPA for convenience.

South County Health Termination Options. South County Health may terminate the ERPA on thirty (30) days' prior written notice if (i) a Change in Law substantially prevents it from performing its obligations, (ii) a Borrower Default remains uncured after the applicable cure period, or (iii) a Casualty Property Loss Event occurs. After the tenth (10th) Service Year has ended, South County Health may also terminate the ERPA for convenience on at least ninety (90) days' prior written notice.

Termination Fee Calculation. The ERPA allocates termination payments by cause. The components of, and methodology for calculating, the "Termination Fee" payable by each of Borrower and South County Health are set forth herein.

- If South County Health terminates for Borrower Default, then South County Health pays (i) 100% of Lenders' Liabilities then due and (ii) any unpaid amounts owed to Borrower, and; Borrower pays (a) the Lender Make-Whole Premium Amount, (b) any unpaid amounts owed to South County Health, (c) Account Balances, and (d) the costs of completing remaining Energy Projects and Services, as applicable.

- If Borrower terminates for a Health System Default, or South County Health terminates for convenience, then South County Health pays (i) Lenders' Liabilities, (ii) the applicable Developer Fee for the Service Year, (iii) Contractor Breakage Costs, and (iv) unpaid amounts owed to Borrower, and; Borrower pays (a) unpaid amounts owed to South County Health and (b) Account Balances.

- For termination arising from a Casualty Property Loss Event or Change in Law, South County Health pays Lenders' Liabilities, Contractor Breakage Costs, and unpaid amounts owed to Borrower, while Borrower pays unpaid amounts owed to South County Health and Account Balances.

In the Borrower Default, Change in Law, and Casualty Property Loss Event scenarios and subject to certain conditions, the Health System may elect the Debt Assumption Option (as hereinafter defined) or Continuing Payment Option (as hereinafter defined) instead of paying the Lenders' Liabilities portion of the Termination Fee.

Debt Assumption Option. For a termination following a Borrower Default, Change in Law, or Casualty Property Loss Event, South County Health may elect the Debt Assumption Option in lieu of paying all or part of the Lenders' Liabilities portion of the Termination Fee. The "Debt Assumption Option" requires that South County Health assume the Borrower's obligations under the Financing Documents by (i) assignment or novation, (ii) paying the other amounts required under the Termination Fee provisions, and (iii) issuing a master trust indenture note effective on the ERPA termination date to evidence and secure those obligations. The election of the Debt Assumption Option is subject to delivery of a favorable opinion of bond counsel that the election will not, by itself, cause interest on tax-exempt bonds to become taxable.

Continuing Payment Option. For a termination following a Borrower Default, Change in Law, or Casualty Property Loss Event, South County Health may elect the Continuing Payment Option in lieu of paying all or part of the Lenders' Liabilities portion of the Termination Fee. The "Continuing Payment Option" requires that South County Health terminate Optimum under the Project Implementation Agreement and continue paying the Capacity Charge and the Monthly Refinancing Payment to Borrower, so long as (i) Borrower retains the Concession Rights, (ii) South County Health enters into a subcontracting arrangement with Borrower to directly perform O&M Services, (iii) the ERPA remains in full force and effect solely with respect to provisions pertaining to payment of the Capacity Charge, and (iv) the Financing Documents remain in full force and effect. The election of the Continuing Payment Option is subject to delivery of a favorable opinion of bond counsel that the election will not, by itself, cause interest on tax-exempt bonds to become taxable.

Termination Payment Timing. Unless South County Health elects the Debt Assumption Option or Continuing Payment Option, the parties must use best efforts to pay the applicable Termination Fee amounts within ninety (90) days and must pay all such amounts within one hundred eighty (180) days. South County Health must continue paying the Capacity Charge until the Termination Fee has been paid in full or the applicable alternative payment option has been fully effectuated.

Impact of ERPA Termination on the Project Implementation Agreement. Termination of the ERPA automatically terminates the Project Implementation Agreement without further notice, although obligations accrued or accruing before termination survive. If South County Health elects the Continuing Payment Option, it may direct Borrower to terminate Optimum under the Project Implementation Agreement and the terms of the Continuing Payment Option apply.

Impact of ERPA Termination on the Direct Agreement. The Direct Agreement protects the Collateral Agent's rights in the ERPA and the Project Implementation Agreement during a financing default. It provides notice, cure, step-in and enforcement protections, permits the Collateral Agent or a successor party to acquire and assume Borrower's rights and obligations, and keeps the ERPA and the Project Implementation Agreement in force for the balance of their terms after any transfer of Borrower's interest in any Collateral pertaining to the ERPA and the Project Implementation Agreement. South County Health and Optimum must recognize performance by the Collateral Agent or an approved successor as provided in the Direct Agreement. If South County Health elects the Continuing Payment Option, the Direct Agreement remains in full force and effect and the terms of the Continuing Payment Option apply. Neither the Collateral Agent nor a successor acquiring the Borrower's rights through enforcement will be liable for the Borrower's acts, omissions, defaults, misrepresentations, warranty breaches or obligations arising before the transfer, except for matters as to which South County Health gave written notice to the Collateral Agent before the transfer. If a successor acquires the Borrower's interest during a default period, or the ERPA or Project Implementation Agreement is rejected or terminated in an insolvency proceeding, South County Health and Optimum must, upon a request made by the successor or Collateral Agent within thirty (30) days, enter into a replacement agreement on identical terms, subject to conforming and mutually agreed changes, for no longer than the remaining term of the replaced agreement. The Borrower and the Collateral Agent may not enter into any modification of the Financing Documents that is adverse to South County

Health without South County Health's prior written approval, which may not be unreasonably withheld, conditioned or delayed.

PAYMENTS.

Beginning at Financial Close, South County Health pays Borrower the mobilization payment identified in the Schedule of Values and monthly progress payments for Retained Assets Improvements based on the work completed; the Energy Assets Improvements are funded from the In-Kind Energy Asset Improvement Funds.

During the Services Period, South County Health pays a monthly Services Charge consisting of the Capacity Charge, the Maintenance Charge, and the Retained Assets Services Charge. The Maintenance Charge covers O&M Services and the Borrower's management and administrative obligations related to Energy Assets. The Retained Assets Services Charge covers Retained Assets Services and approved Retained Assets Lifecycle Work and related materials or third-party services are also invoiced through the Retained Assets Services Charge. The Maintenance Charge and Retained Assets Services Charge escalate annually by the CPI Escalator.

The Capacity Charge (except for the Maintenance Reserve Account Payment portion) is fixed for each Service Year, is not subject to the CPI Escalator. The Maintenance Reserve Account Payment portion of the Capacity Charge is subject to the CPI Escalator. The Capacity Charge may not be offset, reduced, deducted or withheld for any reason. The Maintenance Charge and Retained Assets Services Charge may be reduced only for the specified undisputed or finally determined amounts owed by Borrower, or agreed Third-Party Offtaker Agreement credits. Any excess deduction is carried forward against future Maintenance Charges or Retained Assets Services Charges, not the Capacity Charge.

Payments are made by wire transfer, and overdue amounts accrue interest at the Delinquent Payment Rate. South County Health pays any approved Change Order work or other monetary relief expressly due under the ERPA.

ASSIGNMENT; CHANGE IN CONTROL.

Assignment and Transfer Restrictions. Borrower may not assign, pledge or transfer the ERPA or its rights, obligations or interests without South County Health's prior written consent, but consent to a transfer to an Affiliate of Borrower may not be unreasonably withheld, delayed or conditioned. Without that consent, Borrower may assign payment rights under the Financing Documents to Collateral Agent and may transfer the ERPA and its rights and obligations in their entirety to a Permitted Borrower Transferee, so long as future work and Services are performed by Borrower or another Permitted Borrower Transferee. Any third-party transferee must expressly assume all outstanding obligations and either be licensed and reasonably qualified to perform the remaining work or arrange for such work to be performed by the Borrower or another Permitted Borrower Transferee. South County Health may transfer the Financing Documents only to a Permitted Health System Transferee. The ERPA also recognizes the Borrower's simultaneous subcontracting and delegation to Optimum under the Project Implementation Agreement.

Transferee Conditions. A third-party transferee of Borrower (other than Collateral Agent) must expressly assume all of Borrower's obligations, including outstanding financial obligations, and must either be licensed and reasonably qualified to perform the remaining work and Services or provide for that performance by Borrower or another Permitted Borrower Transferee. Where required to preserve the federal income-tax exemption for interest on outstanding Series 2026 Bonds, Borrower must also provide a favorable opinion of bond counsel before a Borrower transfer, other than an assignment to Collateral Agent.

Change in Control. Borrower and South County Health must each give the other at least ninety (90) days' prior written notice of a proposed change in control including reasonable details and an affirmation that the proposed acquirer or transferee is permitted under the terms of the ERPA. The receiving party has fifteen (15) days after receipt to reject the transaction, but only by timely providing reasonable written evidence that the proposed acquirer or transferee is not the applicable permitted transferee.

Lender and Termination Protections. If Borrower breaches or defaults under the ERPA and the Project Implementation Agreement and applicable notice and cure periods have lapsed, the Collateral Agent may assume the agreements. During a default period, the Collateral Agent or an approved successor may cure a payment default within thirty (30) days and a performance default within sixty (60) days, and South County Health and Optimum must accept its performance. These protections do not limit or defer South County Health's rights under the ERPA, and South County Health's exercise of those rights during the default period does not constitute a default under the Direct Agreement or the other Contract Documents.

Assignment in the Project Implementation Agreement. Except as provided in the Direct Agreement, neither the Borrower nor Optimum may assign the Project Implementation Agreement without the other party's prior written consent; provided, that Optimum may assign its rights and obligations to an Affiliate upon notice. South County Health is an intended third-party beneficiary entitled to enforce these assignment restrictions.

RELIEF EVENTS; SERVICE LAPSES.

Relief Events. If a Relief Event directly and materially prevents the Borrower from performing despite reasonable efforts to avoid or reduce its effects, the Borrower may receive appropriate time, cost and performance relief, including adjustments to the schedule, payments, KPI, Guaranteed Savings or related baselines. The Borrower must provide prompt written notice and supporting information, continue unaffected work, mitigate the event and maintain critical Energy Services as far as practicable. The agreed relief is documented in a Change Order; if disputed, the Borrower continues the affected work as far as practicable pending resolution, generally at South County Health's cost, subject to repayment if the claim is rejected.

Replacement of Optimum for Extended Service Lapses. South County Health may require the Borrower to replace Optimum or any replacement operator with an Acceptable Operator if the operator (i) causes three (3) or more unexcused Service Lapses, each continuing for more than twenty-four (24) hours, during any rolling twelve (12) -month period, (ii) abandons or suspends the work in a manner that results in a Service Lapse and materially adversely affects South County Health and fails to remedy such condition within four days after notice, or (iii) fails to cure material and sustained noncompliance with a mutually-agreed remedial action plan established following a Service Lapse continuing for more than twenty-four (24) hours. Within fifteen (15) Business Days after receiving a replacement notice, the Borrower must submit a proposed Acceptable Operator and transition plan to South County Health. The replacement must be completed as promptly as practicable and no later than one hundred twenty (120) days after the notice, unless South County Health agrees otherwise, and the Borrower remains fully responsible for its ERPA obligations during the transition.

Prioritization of Patient Care. Because the Energy Assets serve acute-care and other life-critical healthcare operations, the Borrower must prioritize South County Health's continuous provision of patient care, maintain qualified personnel, emergency-response protocols, critical spare-parts inventory and required equipment-redundancy measures, and maintain a written emergency preparedness and response plan. Except following specified uncured payment defaults by South County Health, the Borrower may not limit, interrupt, abandon, suspend or discontinue the Energy Services and must continue providing the Energy Services while any disputed termination of the ERPA is pending.

South County Health Step-in Rights. South County Health may exercise narrowly tailored step-in rights with respect to affected Energy Assets or Retained Assets following notice if (i) a Service Lapse causes an imminent or ongoing emergency, (ii) a Service Lapse continues for twelve (12) or more consecutive hours, or (iii) after a reasonable opportunity to cure, the Borrower's violation of applicable law or need for South County Health step-in to address a material and immediate threat to South County Health's compliance with applicable healthcare regulatory requirements (each, a "**Remedial Event**"). During such exercise, South County Health may engage qualified contractors or its own personnel and take actions reasonably necessary to resolve the event leading to the Remedial Event. Control will revert to the Borrower upon resolution of the Remedial Event or implementation of a mutually-agreed remedial action plan. Subject to a fixed cap each Service Year, the Borrower must reimburse South County Health for its direct, reasonable and documented remedial costs within thirty (30) days after demand.

LIMITED RECOURSE; DAMAGES LIMITATIONS.

Borrower's obligations under the ERPA may be enforced only against Borrower's assets, including its rights and receivables under the transaction documents, and not against its members, directors, officers, employees, managers or representatives. Except for amounts expressly due and claims involving fraud, gross negligence or willful misconduct, the parties may not recover consequential, indirect, punitive, exemplary, special or incidental damages, lost profits or lost revenues. Payments for a Service Lapse are limited by a cap each Service Year and also by an aggregate cap over the ERPA Term, while remedial costs are limited by a separate cap each Service Year. Payments required upon early termination are the parties' sole and exclusive damages for the termination, subject to previously accrued claims and indemnity obligations for third-party claims. Under the Project Implementation Agreement, Optimum generally bears claims arising from its work, and claims against Borrower are limited to available project revenues, funds held under the Financing Documents and Borrower's interest in the Energy Projects.

Following the project substantial completion date, Borrower will bear the performance, obsolescence, catastrophic-failure and end-of-life risk of the Energy Assets, subject to the ERPA's exclusions and Relief Events, and will fund planned lifecycle replacements through the Maintenance Reserve Account. For casualty losses, the Borrower will restore the affected Energy Assets from available insurance proceeds and applicable Maintenance Reserve Account amounts; South County Health will bear costs exceeding those sources, except to the extent the casualty resulted from the Borrower's negligence.

Under the Project Implementation Agreement, Optimum's aggregate liability is limited by a cap before the project substantial completion date and by a lower cap thereafter. These limitations do not apply to fraud, willful misconduct or gross negligence by Optimum or to specified tax obligations arising from any Third-Party Offtaker Agreement.

REFINANCING RIGHTS.

Not more than once in any calendar year following the earlier of (i) substantial project completion and (ii) the seventh (7^{th}) Service Year, South County Health may, at its cost, request that the Borrower evaluate prepare an evaluation of options to refinance, refund, defease, remarket, reissue, amend or otherwise restructure Borrower's indebtedness with the Collateral Agent and the Series 2026 Bonds (a "**Refinancing**"). If the evaluation demonstrates net present value savings exceeding a specified threshold specified in the ERPA, South County Health may require the Borrower to use commercially reasonable efforts to pursue the Refinancing, subject to applicable tax, financing, lender and governmental requirements.

Unless South County Health otherwise agrees, a Refinancing may not increase amounts payable by South County Health, impose a lien on South County Health property, reduce South County Health's rights or service-continuity protections, extend the ERPA Term, restrict termination rights or impair the tax-exempt status of the Series 2026 Bonds. Net savings, after permitted fees and costs, accrue to South County Health through an adjustment to the Capacity Charge, the Monthly Refinancing Payments or another mutually agreed mechanism.

APPENDIX E

FORM OF INDENTURE

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INDENTURE OF TRUST

BETWEEN

RHODE ISLAND HEALTH AND EDUCATIONAL BUILDING CORPORATION,
AS ISSUER

AND

ARGENT TRUST COMPANY,
AS TRUSTEE

DATED AS OF SEPTEMBER 1, 2026

RELATING TO
RHODE ISLAND HEALTH AND EDUCATIONAL BUILDING CORPORATION
REVENUE BONDS
(MADRONE – SOUTH COUNTY HOSPITAL EAAS I)
SERIES 2026A AND TAXABLE SERIES 2026B

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INDENTURE OF TRUST

This INDENTURE OF TRUST (as amended, supplemented or otherwise modified from time to time, this "Indenture"), dated as of September 1, 2026, is entered into by and between the RHODE ISLAND HEALTH AND EDUCATIONAL BUILDING CORPORATION (together with its successors or assigns, the "Issuer"), a public body corporate and agency of the State of Rhode Island constituted and established to exercise the powers conferred by Rhode Island General Laws Title 45, Chapter 38.1, as amended (the "Act"), and ARGENT TRUST COMPANY, a trust company organized and existing under and by virtue of the laws of the State of Tennessee, as trustee (together with any successor trustee duly appointed under this Indenture, the "Trustee"). All capitalized but undefined terms in the recitals shall have the meanings given such terms in Section 1.1 hereof.

W I T N E S S E T H:

WHEREAS, Madrone – South County Hospital EaaS I, LLC, a Rhode Island limited liability company (together with its successors or assigns, the "Borrower"), the sole member of which is the 501(c)(3) Entity (as defined herein), has requested the Issuer issue its revenue bonds to: (A) pay or reimburse the costs of the acquisition, development, construction, improvement and equipping of certain energy related improvements, including but not limited to, upgrading and replacing central utility plant assets, replacing electrical distribution infrastructure, upgrading building automation systems, implementing energy savings measures, and making other infrastructure improvements at certain hospitals and related facilities owned and/or principally used by the Health System and/or certain affiliates of the Health System and located in the State of Rhode Island (the "Project"); (B) refund the Existing Indebtedness, the proceeds of which were used to finance capital expenditures of the Health System and/or certain affiliates of the Health System; (C) fund a portion of the interest to accrue on the Series 2026 Bonds; (D) fund a deposit to the Suspense Account, and (E) pay or reimburse certain costs incurred in connection with the issuance of the Series 2026 Bonds (collectively, the "Financing Purposes"); and

WHEREAS, the Borrower has requested the Issuer issue and sell its Rhode Island Health and Educational Building Corporation Revenue Bonds (Madrone – South County Hospital EaaS I), Series 2026A (the "Series 2026A Bonds") and its Rhode Island Health and Educational Building Corporation Revenue Bonds (Madrone – South County Hospital EaaS I), Taxable Series 2026B (the "Series 2026B Taxable Bonds" and, together with the Series 2026A Bonds, the "Series 2026 Bonds") in a combined aggregate principal amount of $[PAR] and the lending of the proceeds thereof to the Borrower for the Financing Purposes; and

WHEREAS, the Issuer has duly entered into a loan agreement, dated as of the Dated Date (as amended, supplemented or otherwise modified from time to time, the "Loan Agreement"), with the Borrower specifying the terms and conditions of a loan (the "Series 2026 Loan") by the Issuer to the Borrower of the proceeds of the Bonds for the aforesaid purposes and of the payment by the Borrower to the Issuer of amounts sufficient for the payment of the principal of, Redemption Price of, and interest on, the Bonds when due; and

WHEREAS, the Borrower, the Collateral Agent, the Trustee and the Securities Intermediary have concurrently entered into the Collateral Security Agreement, dated as of the Dated Date (as it may be amended, supplemented or otherwise modified from time to time, the "Collateral Security Agreement"); and

WHEREAS, the Borrower has concurrently entered into certain other Financing Documents related to the Project and the issuance of the Series 2026 Bonds; and

WHEREAS, in the event that conditions set forth in Article XII of this Indenture are satisfied, the Issuer may issue Additional Parity Bonds (together with the Series 2026 Bonds, the "Bonds") pursuant to Article XII of this Indenture, which Additional Parity Bonds shall be equally and ratably secured by the Trust Estate with all other then Outstanding Bonds, without preference, priority or distinction; and

WHEREAS, in order to provide for the authentication and delivery of the Bonds, to establish and declare the terms and conditions upon which the Bonds are to be issued and secured and to secure the payment of the principal of, Redemption Price of, and interest, on the Bonds, the Issuer has authorized the execution and delivery of this Indenture; and

WHEREAS, all acts and proceedings required by law necessary to make the Bonds, when executed by the Issuer, authenticated and delivered by the Trustee and duly issued, the valid, binding and legal limited obligations of the Issuer, and to constitute this Indenture a valid and binding agreement for the purposes of creating a valid Lien in the Trust Estate, and securing the payment of any amounts due in respect of the Bonds in accordance with the applicable terms hereof, have been done and taken, and the execution and delivery of this Indenture have been in all respects duly authorized; and

WHEREAS, the Trustee has accepted the trusts created by this Indenture and in evidence thereof has joined in the execution hereof;

NOW, THEREFORE, for and in consideration of the mutual covenants, and the representations and warranties, set forth herein, the Issuer and the Trustee agree as follows:

ARTICLE I.

DEFINITIONS

Section 1.1 Definitions of Certain Terms. All capitalized terms used herein but not otherwise defined herein shall have the respective meanings given to them in Exhibit A to the Collateral Security Agreement. In addition, the following terms as used in this Indenture shall have the following meanings:

"*501(c)(3) Entity*" means Madrone Health Foundation, a California nonprofit public benefit corporation which is a tax-exempt organization described in Section 501(c)(3) of the Code, and its successors or assigns.

"*Accounts*" means, collectively, the accounts and sub-accounts established and created by this Indenture.

"*Act*" has the meaning specified in the recitals to this Indenture.

"*Additional Parity Bonds*" means any Additional Parity Bonds issued pursuant to Article XII hereof.

"*Additional Parity Bonds Loan*" means the loan to the Borrower by the Issuer pursuant to the Additional Parity Bonds Loan Agreement of the entire amount of the proceeds of any Additional Parity Bonds issued pursuant to this Indenture.

"*Additional Parity Bonds Loan Agreement*" means, for each series of Additional Parity Bonds, the loan agreement or supplemental loan agreement to be executed by the Issuer and the Borrower in connection with the issuance of such Additional Parity Bonds pursuant to Article XII of this Indenture, as amended and supplemented from time to time.

"*Additional Payments*" means the payments made by the Borrower to the Issuer or the Trustee in accordance with Section 4.01(b) of the Loan Agreement.

"*Additional Senior Secured Indebtedness*" has the meaning given such term in the Collateral Security Agreement.

"*Administrative Services Agreement*" means the Administrative Services Agreement of even date herewith between the Borrower and the 501(c)(3) Entity, as the same may be amended and/or supplemented from time to time in accordance with the provisions thereof and hereof.

"*Administrative Services Fee*" shall have the meaning ascribed to such term in the Administrative Services Agreement.

"*Amortized Redemption Price*" means the Amortized Value of the Series 2026A Bonds to be redeemed.

"*Amortized Value*" means the principal amount of the Series 2026A Bonds to be redeemed multiplied by the price of such Series 2026A Bonds expressed as a percentage, calculated based on the industry standard method of calculating bond prices, with a delivery date equal to the redemption date, the applicable maturity date of such Series 2026A Bonds (taking into account any optional call provision) and a yield equal to such Series 2026A Bond's original offering yield.

"*Annual Administrative Fee*" means the annual fee for the general administrative services of the Issuer in the amount of one-tenth of one percent (1/10 of 1%) of the outstanding principal amount of the Bonds.

"*Authorized Denominations*" means $5,000 or any integral multiple thereof.

"*Bankruptcy Event*" means the filing of a petition in bankruptcy (or any other commencement of a bankruptcy or similar proceeding) under any applicable bankruptcy, insolvency, reorganization, or similar law, now or hereafter in effect; provided that, in the case of an involuntary proceeding, such proceeding is not dismissed within 90 days after the commencement thereof.

"*Bond Counsel*" means any attorney at law or firm of attorneys, of nationally recognized standing in matters pertaining to the validity of, and exclusion from gross income for federal tax

purposes of interest on, bonds issued by states and political subdivisions and duly admitted to practice law before the highest court of any state of the United States selected by the Borrower and reasonably acceptable to the Issuer and the Health System.

"*Bond Obligations*" means all obligations of the Borrower under the Loan Agreement and any Additional Parity Bonds Loan Agreements (if executed).

"*Bond Purchase Agreement*" means that certain Bond Purchase Agreement entered into among the Underwriter, the Issuer and the Borrower.

"*Bonds*" mean the Series 2026A Bonds and the Series 2026B Taxable Bonds together with the Additional Parity Bonds issued from time to time pursuant to this Indenture, if any.

"*Borrower*" means, prior to a Debt Assumption, Madrone – South County Hospital EaaS I, LLC, a Rhode Island limited liability company, and its successors or assigns or, after the occurrence of a Debt Assumption, the Health System (or any Permitted Health System Transferee designated by the Health System).

"*Borrower Continuing Disclosure Agreement*" means that certain Continuing Disclosure Certificate entered into by the Borrower pursuant to the Rule in connection with the issuance of the Series 2026 Bonds, as amended and supplemented from time to time.

"*Business Day*" means any day other than a Saturday, a Sunday or a day on which offices of the United States government or the State are authorized to be closed or on which commercial banks in New York, New York or the city and state in which the Trustee is located are authorized or required by law, regulation or executive order to be closed (unless otherwise provided in a Supplemental Indenture).

"*Closing Date*" means the date ([____], 2026) the Series 2026 Bonds are issued, authenticated and delivered in accordance with this Indenture.

"*Code*" means the Internal Revenue Code of 1986, as amended from time to time, and any successor statute.

"*Collateral Agent*" means Argent Trust Company and its successors or assigns, as Collateral Agent, pursuant to the Collateral Security Agreement.

"*Collateral Security Agreement*" means that certain Collateral Security Agreement, dated as of the Dated Date, by and among the Borrower, the Collateral Agent, the Trustee and the Securities Intermediary, as it may be amended or supplemented from time to time.

"*Costs of Issuance*" means all items of expense directly or indirectly payable by or reimbursable to the Issuer or the Borrower and related to the authorization, issuance, sale and delivery of the Bonds, including but not limited to advertising and printing costs, costs of preparation and reproduction of documents, filing and recording fees, initial fees and charges of the Trustee, initial and ongoing fees and charges of the Issuer, the initial Administrative Services Fee due upon the issuance of the Bonds, legal fees and charges, fees and disbursements of consultants and professionals, Nationally Recognized Rating Agency fees, fees and charges for preparation, execution, transportation and safekeeping of the Bonds, and any other cost, charge or fee in connection with the original issuance of the Bonds.

"*Costs of Issuance Fund*" means the fund so designated and established pursuant to Section 5.1 hereof.

"Custody Agreement" means the Custody Agreement, dated as of the Dated Date, between the Health System and Argent Trust Company, as custodian, as it may be amended or supplemented from time to time.

"*Dated Date*" means September 1, 2026.

"*Debt Assumption*" means the substitution of the Health System (or any Permitted Health System Transferee designated by the Health System) for the Borrower by an assignment to and assumption by the Health System of the Loan Agreement pursuant to the exercise by the Health System of a Debt Assumption Option.

"*Debt Assumption Date*" means the effective date of a Debt Assumption, which shall be the date that the Energy Resilience & Performance Agreement terminates.

"*Debt Assumption Option*" means the right of the Health System under Article 3(a) of Exhibit 14 of the Energy Resilience & Performance Agreement to assume the Borrower's obligations under the Loan Agreement in connection with the exercise by the Health System of a termination right under the Energy Resilience & Performance Agreement.

"*Debt Service Fund*" means the Debt Service Fund created by and designated as such in Section 5.1 hereof.

"*Debt Service Payment Date*" means each date on which principal of and interest on the Bonds is due and includes, but is not limited to, the maturity date of any Bond; each Interest Payment Date and the date of any mandatory redemption payment on any Bond.

"*Defeasance Escrow Account*" means an account created pursuant to Section 11.2 hereof.

"*Defeasance Securities*" means to the extent permitted by law: (1) cash, (2) non-callable direct obligations of the United States of America ("Treasuries"), (3) evidences of ownership of proportionate interests in future interest and principal payments on Treasuries held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying Treasuries are not available to any person claiming through the custodian or to whom the custodian may be obligated, (4) pre-refunded municipal obligations rated no lower than the then-current rating on direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America (or by any agency thereof to the extent such obligations are backed by the full faith and credit of the United States of America); (5) securities eligible for "AA+" defeasance under then existing criteria of S&P, or (6) any combination thereof used to effect defeasance of the Bonds.

"*Designated Payment Office of the Trustee*" means the office of the Trustee at which its corporate trust business with respect to the Bonds is conducted, which at the date hereof is located at Argent Trust Company, 4224 Bluebonnet Blvd, Suite A, Baton Rouge, LA 70809, Attention: Corporate Trust Department, provided, however, that for purposes of the surrender or presentation of Bonds for payment, transfer or exchange, the Designated Payment Office of the Trustee shall be the designated corporate trust agency or operations office of the Trustee located at Argent Trust Company, 4343 Easton Commons, Suite 120, Columbus, OH 43219, Attention: Corporate Trust Bond Operations.

"*DTC*" has the meaning given to it in Section 4.8 hereof.

"*Electronic Means*" means telecopy, facsimile transmission, email transmission or other similar electronic means of communication providing evidence of transmission, including a telephonic communication confirmed by any other method set forth in this definition.

"*Energy Assets Project Fund*" means the Energy Assets Project Fund created by and designated as such in Section 5.1 hereof.

"*Energy Resilience & Performance Agreement*" or "ERPA" has the meaning given such term in the Collateral Security Agreement.

"*Environmental Laws*" means any federal, state or local law, statute, code, ordinance, regulation, requirement or rule relating to Hazardous Materials to which the Borrower or its properties are subject.

"*ERISA*" means the Employee Retirement Income Security Act of 1974, as amended, and any successor statute thereto of similar import, together with the regulations thereunder, in each case as in effect from time to time.

"*ERISA Affiliate*" means any trade or business (whether or not incorporated) that, together with the Borrower, is treated as a single employer under Section 414 of the Code.

"*ERISA Event*" means (a) any "reportable event," as defined in Section 4043 of ERISA or the regulations issued thereunder with respect to a Pension Plan (other than an event for which the 30-day notice period is waived); (b) the determination that any Pension Plan is considered an at-risk plan within the meaning of Sections 430 of the Code or Section 303 of ERISA or that any Multiemployer Plan to which Borrower or any ERISA Affiliate is obligated to contribute is endangered or is in critical status within the meaning of Section 431 or 432 of the Code or Section 304 or 305 of ERISA; (c) the incurrence by the Borrower or any ERISA Affiliate of any liability under Title IV of ERISA, other than for PBGC premiums not yet due; (d) the receipt by the Borrower or any ERISA Affiliate from the PBGC or a plan administrator of any notice relating to an intention to terminate any Pension Plan or to appoint a trustee to administer any Pension Plan or the occurrence of any event or condition which constitutes grounds under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Pension Plan; (e) the appointment of a trustee to administer any Pension Plan; (f) the withdrawal of the Borrower or any ERISA Affiliate from a Pension Plan subject to Section 4063 of ERISA during a plan year in which such entity was a substantial employer (as defined in Section 4001(a)(2) of ERISA) or the cessation of operations by the Borrower or any ERISA Affiliate that would be treated as a withdrawal from a Pension Plan under Section 4062(e) of ERISA; (g) the partial or complete withdrawal by the Borrower or any ERISA Affiliate from any Multiemployer Plan; or (h) the taking of any action to terminate any Pension Plan under Section 4041 or 4041A of ERISA.

"*Event of Default*" means an event described in Section 7.1 hereof.

"*Existing Indebtedness*" means (1) all of the outstanding Rhode Island Health and Educational Building Corporation Hospital Financing Revenue Refunding Bonds South County Hospital Healthcare System Issue, Series 2015, (2) all of the outstanding Rhode Island Health and Educational Building Corporation Hospital Financing Revenue Bonds South County Hospital Healthcare System Issue – Series 2018, and (3) all of the outstanding amounts under the Construction and Term Loan Agreement, dated as of June 3, 2021, between Ocean View Health Venture, LLC, a wholly owned affiliate of the Health System and Webster Bank, N.A.

"*Favorable Opinion of Bond Counsel*" means, with respect to any action the occurrence of which requires such an opinion, an opinion of Bond Counsel substantially to the effect that such action is permitted under this Indenture and will not, in and of itself, result in the inclusion of interest on the Bonds to which such action relates (other than the Taxable Bonds) in gross income for federal income tax purposes.

"*Financing Documents*" means this Indenture, any Supplemental Indenture executed with respect to the Additional Parity Bonds, the Loan Agreement, any Additional Parity Bonds Loan Agreement, the Collateral Security Agreement, the Security Documents, the Administrative Services Agreement, any Secured Obligation Document (as defined in the Collateral Security Agreement), the Borrower Continuing Disclosure Agreement, and the Tax Agreement, and each amendment thereof, and any other document or instrument to which the Issuer or the Borrower is a party or by which either of them is bound and that is executed and delivered in connection with the Bonds.

"*Financing Purposes*" has the meaning specified in the recitals to this Indenture.

"*Fitch*" means Fitch Ratings, Inc. and any successor to its rating agency business.

"*Funds*" means the funds created by this Indenture.

"*GAAP*" means accounting principles generally accepted in the United States of America.

"*Government Approval*" means any permit, ruling, judgment, decree, legally binding policy, declaration of, or regulation by, any Governmental Authority with competent jurisdiction required to be obtained to enable a Person to perform its respective obligations and, as to the Borrower, relating to the planning, design, acquisition, installation, construction, ownership, operation and maintenance of, the Project, or to the execution, delivery or performance of the Borrower's obligations under the Financing Documents and the Material Contracts to which it is a party.

"*Governmental Authority*" means (a) any federal, state, county or municipal government, or political subdivision thereof, (b) any governmental or quasi-governmental agency, authority, board, bureau, commission, department, instrumentality or public body and any entity exercising

executive, legislative, judicial, regulatory or administrative functions of, or pertaining to, any such government, (c) any court or administrative tribunal or (d) any arbitration tribunal or other non-governmental authority to whose jurisdiction a Person has consented.

"*Hazardous Material*" has the meaning given such term in the Collateral Security Agreement.

"*Health System*" means South County Hospital Healthcare System, its successors or assigns.

"*Indebtedness*" has the meaning given such term in the Collateral Security Agreement.

"*Indenture*" means this Indenture of Trust and any amendment or supplement hereto permitted hereby.

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

"*Interest Account*" means the Interest Account created by and designated as such in Section 5.1 hereof.

"*Interest Payment Date*" means each March 1 and September 1, commencing on March 1, 2027.

"*Interest Payments*" means, with respect to a payment date for the Bonds, the interest (including the interest component of the Redemption Price due in connection with any mandatory redemption payment on any Bond) due on such date on the Bonds.

"*Issuer*" means the Rhode Island Health and Educational Building Corporation, or its successors or assigns, a public body corporate and agency of the State of Rhode Island constituted and established to exercise the powers conferred by the Act.

"*Issuer Representative*" means with respect to the Issuer, any member of the Executive Board of the Issuer (the "Board"), or any other person designated as an Issuer Representative by a certificate signed by a member of the Board and filed with the Trustee.

"*Letter of Representations*" means the Letter of Representations from the Issuer to DTC and any amendments thereto or any successor agreements between the Issuer and any successor securities depository, relating to a book-entry system to be maintained by the securities depository with respect to the Bonds. Notwithstanding any provision hereof, including Article IX regarding supplemental indentures and amendments, the Issuer may enter into any amendment or successor agreement to the Letter of Representations without the consent of the Owners of the Bonds.

"*Lien*" has the meaning given such term in the Collateral Security Agreement.

"*Loan Agreement*" means that certain Loan Agreement, dated as of the Dated Date, between the Issuer and the Borrower, as amended and supplemented from time to time, pursuant to which the Issuer agreed to lend the proceeds of the Series 2026 Bonds to the Borrower.

"*Loan Default Event*" has the meaning specified in Section 8.01 of the Loan Agreement.

"*Majority Holders*" means the holders of a majority of the aggregate principal amount of the then Outstanding Bonds.

"*Management Agreement*" means that certain Project Implementation Agreement, dated as of the Dated Date, between Optimum Energy, LLC and the Borrower, as amended and supplemented from time to time.

"*Master Obligation*" means, if a Debt Assumption occurs, a Master Obligation issued by the Health System under its master trust indenture to evidence and secure the obligations of the Borrower under the Loan Agreement that are being assigned to and assumed by the Health System.

"*Material Adverse Effect*" means a material adverse effect on (a) the business, properties, performance, results of operations or financial condition of the Borrower; (b) the Borrower's ability to complete the Project; (c) the legality, validity or enforceability of any material Financing Document or any Material Contract to which the Borrower is a party; (d) the Borrower's ability to observe and perform its material obligations under any Financing Document or any Material Contract to which it is a party; (e) the validity, perfection or priority of a material portion of the Liens created pursuant to the Security Documents on the Collateral taken as a whole; or (f) the rights of the Collateral Agent and the Trustee under the Financing Documents and the Material Contracts, including the ability of the Collateral Agent, the Trustee or any other Secured Party to enforce their material rights and remedies under the Financing Documents, the Material Contracts or any related document, instrument or agreement, in each case with respect to clauses (a) through (f) above relating to the Project.

"*Material Contracts*" has the meaning given such term in the Collateral Security Agreement.

"*Monthly Date*" has the meaning given such term in the Collateral Security Agreement.

"*Moody's*" means Moody's Investor Services and any successor to its rating agency business.

"*Multiemployer Plan*" means a Pension Plan which is a "multiemployer plan" as defined in Section 4001(a)(3) of ERISA.

"*Nationally Recognized Rating Agency*" means S&P, Moody's or Fitch, or any other nationally-recognized securities rating agency that is then providing a rating on any of the Bonds at the request of the Borrower.

"*Official Statement*" means the Official Statement of the Issuer, dated September [__], 2026, with respect to the Series 2026 Bonds.

"*Operating Costs*" has the meaning given such term in the Collateral Security Agreement.

"*Opinion of Counsel*" means a written opinion of an attorney or firm of attorneys, who may be counsel for the Issuer or the Borrower, but shall not be a full time employee of either the Issuer or the Borrower.

"*Organizational Documents*" means for any Person the organizational documents governing its creation, existence and actions, as in effect on the date in question.

"*Outstanding*" means, as of any date of determination, all Bonds that have been executed, authenticated and delivered under this Indenture, except:

(i) any Bond, or portion thereof, on which all principal and interest due or to become due on or before maturity has been paid;

(ii) any Bond, or portion thereof, on which the Redemption Price due or to become due has been paid in accordance with the redemption provisions applicable to such Bond;

(iii) Bonds in lieu of which other Bonds have been executed, authenticated and delivered pursuant to the provisions of this Indenture relating to the transfer and exchange of Bonds or the replacement of mutilated, lost, stolen or destroyed Bonds;

(iv) Bonds that have been canceled by the Trustee or that have been surrendered to the Trustee for cancellation;

(v) Bonds that have been defeased pursuant to and in accordance with Article XI hereof; and

(vi) Any Bond which has been paid in accordance with Section 4.4.

"*Owner*" of a Bond means the registered owner of such Bond as shown in the registration records of the Trustee. "*Owners*" of the Bonds means the registered owners of the Bonds as shown in the registration records of the Trustee.

"*Pension Plan*" means a "pension benefit plan" as defined in Section 3(2) of ERISA that is subject to Title IV of ERISA or Section 412 of the Code, other than a Multiemployer Plan, that is maintained by, or contributed to by, or required to be contributed to by, the Borrower or any ERISA Affiliate.

"*Permitted Activities*" has the meaning specified in Section 2.02 of the Loan Agreement.

"*Permitted Health System Transferee"* has the meaning specified in the ERPA.

"*Permitted Indebtedness*" has the meaning given such term in the Collateral Security Agreement.

"*Permitted Investments*" means, subject to the Tax Agreement, investments in any of the following:

(a) United States Government Obligations;

(b) Bonds or securities issued or guaranteed as to principal and interest by a commission, board or other instrumentality of the federal government including securities issued by Federal National Mortgage Association (FNMA), Federal Home Loan Mortgage Corporation (FHLMC), Federal Farm Credit Bank (FFCB), Federal Home Loan Bank (FHLB) and Tennessee Valley Authority (TVA);

(c) certificates of deposit (including those placed by a third party pursuant to an agreement between the Borrower and the Trustee), demand deposits, interest bearing money market accounts, trust funds, trust accounts, overnight bank deposits, interest bearing deposits, other bank deposit products, bankers acceptances or time deposits constituting direct obligations of any bank, including the Trustee or any of its affiliates, the full amount of which is insured by the Federal Deposit Insurance Corporation;

(d) time deposits in any credit union, bank, savings bank, trust company or savings and loan association that is authorized to transact business in the State if the time deposits mature in not more than three years;

(e) unsecured certificates of deposit, time deposits, bank deposit products, and bankers' acceptances of any bank the short-term obligations of which are rated, at the time of purchase, A-1 or better from S&P or P-1 from Moody's (without regard to any credit enhancement);

(f) obligations of any state of the United States of America or any political subdivision of any state of the United States of America or any agency or instrumentality of any such state or political subdivision, which are rated, at the time of purchase, in one of the three highest Rating Categories assigned by a Nationally Recognized Rating Agency;

(g) any security that matures or that may be tendered for purchase at the option of the holder within not more than seven years of the date on which it is acquired, if that security has a rating that is the highest or second highest Rating Category assigned by a Nationally Recognized Rating Agency or if that security is senior to, or on a parity with, a security of the same issuer that has such a rating;

(h) securities of an open-end management investment company or investment trust (including those for which the Trustee or its affiliates receive and retain a fee for

services provided to the fund, whether as a custodian, transfer agent or otherwise) if the investment company or investment trust does not charge a sales load, if the investment company or investment trust is registered under the Investment Company Act of 1940, 15 USC 80a-1 to 80a-64, and if the portfolio of the investment company or investment trust is limited to the following: (i) bonds and securities issued by the federal government or a commission, board or other instrumentality of the federal government, (ii) bonds that are guaranteed as to principal and interest by the federal government or a commission, board or other instrumentality of the federal government and (iii) repurchase agreements that are fully collateralized by bonds or securities described under (i) or (ii);

(i) commercial paper having, at the time of investment or contractual commitment to invest therein, a rating of A-1 or better from S&P or P-1 from Moody's;

(j) investment agreements with, or guaranteed by, a domestic or foreign bank, financial institution or other entity the long-term ratings of which are rated at the time of execution in one of the investment grade Rating Categories by at least two Nationally Recognized Rating Agencies;

(k) municipal obligations issued by any state or municipality with a rating by both Moody's and S&P in one of the two highest Rating Categories by such Nationally Recognized Rating Agencies;

(l) federal funds or bankers acceptances with a maximum term of one year of any bank which has an unsecured, uninsured and unguaranteed obligation rating of "P - 1" or "A3" or better by Moody's and "A-1" or "A" or better by S&P;

(m) money market funds registered under the Investment Company Act of 1940, whose shares are registered under the Securities Act of 1933 and having a rating by S&P AAAm-G; AAA-m; or AA-m and if rated by Moody's Aaa; Aa1 or Aa2; and

(n) other forms of investments (including repurchase agreements) provided or guaranteed by a domestic or foreign bank, financial institution or other entity the long-term ratings of which are rated at the time of execution in one of the investment grade Rating Categories by at least two Nationally Recognized Rating Agencies. In the event such obligations are variable rate obligations, the interest rate on such obligations must be reset not less frequently than annually.

"*Permitted Liens*" has the meaning given such term in the Collateral Security Agreement.

"*Permitted Sales and Dispositions*" means:

(a) Sales or other dispositions of equipment or other property in the ordinary course of business (including, without limitation, the lease, sublease or license of any real or personal property) or contemplated by or permitted under the Material Contracts;

(b) Sales or other dispositions of any obsolete, damaged, defective or worn out equipment in the ordinary course of business;

(c) Sales or other dispositions of surplus property not required for the construction or operation of the Project in the ordinary course of business;

(d) Sales or other dispositions of cash or Permitted Investments;

(e) Sales or other dispositions that would constitute Permitted Indebtedness;

(f) The surrender, waiver, amendment or modification of contract rights or the settlement, release or surrender of a contract, tort or other claim of any kind, in each case, in the ordinary course of business; and

(g) The granting of any Permitted Liens;

provided, however, any sale, assignment or disposition of the Project shall be in accordance with the Tax Agreement.

"*Person*" means any individual, corporation, limited liability company, partnership, joint venture, estate, trust, unincorporated association, any federal, state, county or municipal government or any bureau, department or agency thereof and any fiduciary acting in such capacity on behalf of any of the foregoing.

"*Potential Event of Default*" means an event which, with the giving of notice or lapse of time, would become an Event of Default under this Indenture.

"*Potential Loan Default Event*" means an event which, with the giving of notice or lapse of time, would become a Loan Default Event under the Loan Agreement.

"*Principal Account*" means the Principal Account created by and designated as such in Section 5.1 hereof.

"*Project*" has the meaning given to it in the recitals to this Indenture. The scope of the Project may be increased or decreased upon certification by a Responsible Officer of the Borrower to the Trustee, the Issuer describing the change and estimating the resulting increase or decrease in the cost of the Project. The scope of the Project may be increased only upon (i) approval of the Issuer and (ii) receipt by the Trustee and the Issuer of a Favorable Opinion of Bond Counsel regarding the change in scope.

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

"*Record Date*" has the meaning given to it in Exhibit A hereto.

"*Redemption Account*" means the Redemption Account created by and designated as such in Section 5.1 hereof.

"*Redemption Moneys*" has the meaning given to it in Exhibit A hereto.

"*Redemption Price*" means the principal, interest and premium, if any, due on such Bond on the date on which it is redeemed prior to maturity pursuant to the redemption provisions applicable to such Bond. "Redemption Price" includes any Make-Whole Redemption Price for the Series 2026B Taxable Bonds described in Section 4.6 hereof.

"*Required Secured Parties*" has the meaning given such term in the Collateral Security Agreement.

"*Reserved Rights*" means the rights of the Issuer under the Loan Agreement, or any Additional Parity Bonds Loan Agreement, to payment of Additional Payments, including fees, costs and expenses (including fees and expenses of its counsel and its financial advisor), indemnification, defense, obligations to hold harmless, inspection or access, receipt of documents and information, enforcement of venue provisions, consent to amendments, and receipt of notices and other reports contemplated by such Loan Agreement or Additional Parity Bonds Loan Agreement.

"*Responsible Officer*" means (i) with respect to the Borrower, any officer of the 501(c)(3) Entity or any other authorized designee of the Borrower appointed by the 501(c)(3) Entity, and when used with reference to any act or document of the Borrower, also means any other person authorized to perform the act or execute the document on behalf of the Borrower by the 501(c)(3) Entity, (ii) with respect to the Issuer, the Chair or the Vice Chair and when used with reference to any act or document of the Issuer also means any other person authorized to perform such act or execute such document, including but not limited to, the Executive Director in the case of requisitions presented to the Trustee pursuant to the terms thereof (iii) with respect to the Trustee, means the Trustee Representative, and (iv) with respect to any other Person, the person authorized to perform the act or execute the document on behalf of such Person.

"*Revenue Account*" means the account established under the Collateral Security Agreement pursuant to Section 4.1(b) thereof.

"Revenues" means all amounts received or receivable by the Issuer or the Trustee for the account of the Issuer pursuant or with respect to the Loan Agreement or any Additional Parity Bonds Loan Agreement, including, without limiting the generality of the foregoing, all payments of principal, interest, and premium (including both timely and delinquent payments and any late charges, and regardless of source), prepayments, insurance proceeds, condemnation proceeds, and all interest, profits, or other income derived from the investment of amounts in any fund or account established pursuant to this Indenture, but not including any moneys required to be deposited to, or on deposit in, the Series 2026A Rebate Fund.

"*Rule*" or "*Rule 15c2-12*" means SEC Rule 15c2-12, as amended from time to time.

"*S&P*" means S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC, and any successor to its rating agency business.

"*SEC*" means the United States Securities and Exchange Commission.

"*Secured Obligations*" has the meaning given such term in the Collateral Security Agreement.

"*Securities Act*" means the Securities Act of 1933, as amended, and the rules and regulations of the SEC promulgated thereunder.

"*Securities Intermediary*" has the meaning set forth in the Collateral Security Agreement.

"*Security Documents*" has the meaning given such term in the Collateral Security Agreement.

"*Senior Indebtedness*" means (without duplication) the Bonds, and any Additional Senior Secured Indebtedness, in each case in effect at the relevant time of determination.

"*Series 2026 Bonds*" means the Series 2026A Bonds and the Series 2026B Taxable Bonds.

"*Series 2026A Bonds*" means the Rhode Island Health and Educational Building Corporation Revenue Bonds (Madrone – South County Hospital EaaS I), Series 2026A, in the aggregate principal amount of $[2026A PAR], and any Series 2026A Bond or Series 2026A Bonds issued in exchange or replacement therefor.

"*Series 2026A Rebate Fund*" means the Series 2026A Rebate Fund created by and designated as such in Section 5.1 hereof.

"*Series 2026B Taxable Bonds*" means the Rhode Island Health and Educational Building Corporation Revenue Bonds (Madrone – South County Hospital EaaS I), Taxable Series 2026B, in the aggregate principal amount of $[2026B PAR], and any Series 2026B Taxable Bond or Series 2026B Taxable Bonds issued in exchange or replacement therefor.

"*Series 2026 Funded Interest Account*" means the Series 2026 Funded Interest Account created by and designated as such in Section 5.1 hereof.

"*Series 2026 Loan*" has the meaning set forth in the recitals to this Indenture.

"*Special Purpose Entity*" means a corporation, limited liability company or limited partnership which, since the date of its formation, has complied with (except as otherwise specified in Section 6.14 of the Loan Agreement), and at all times on and after the date hereof, complies and will continue to comply with, the requirements set forth in Section 6.14 of the Loan Agreement.

"*Special Record Date*" means a special date fixed to determine the names and addresses of Owners of Bonds for purposes of paying defaulted interest on Bonds in accordance with Section 3.1 hereof.

"*State*" means the State of Rhode Island.

"*Supplemental Indenture*" means any indenture supplementing, amending or otherwise modifying this Indenture that is adopted pursuant to Article IX hereof.

"*Tax Agreement*" means with respect to any issuance of Bonds (other than Taxable Bonds) hereunder: (a) one or more certificates or agreements that sets forth the Issuer's or the Borrower's expectations regarding the investment and use of proceeds of any series of the Bonds and other

matters relating to Bond Counsel's opinion regarding the federal income tax treatment of interest on such Bonds, including any instructions delivered by Bond Counsel in connection with any such certificate or agreement; and (b) any amendment or modification of any such certificate or agreement that is accompanied by a Favorable Opinion of Bond Counsel.

"*Taxable Bonds*" means the Series 2026B Taxable Bonds and any Additional Parity Bonds, the interest on which is not intended to be excludable from gross income of the Owners thereof for federal income tax purposes.

"*Treasury Regulations*" means the temporary, proposed or final federal income tax regulations promulgated by the U.S. Department of the Treasury, together with the other published written guidance thereof as applicable to the Bonds under the Code.

"*Trust Estate*" has the meaning set forth in Section 2.1 hereof.

"*Trust Indenture Act*" means the Trust Indenture Act of 1939, as amended.

"*Trustee*" has the meaning set forth in the preamble to this Indenture.

"*Trustee Representative*" means any officer of the Trustee assigned to the corporate trust department or any other officer of the Trustee customarily performing functions similar to those performed by any such officer, with respect to matters related to the administration of this Indenture.

"*Underwriter*" means Stifel, Nicolaus & Company, Incorporated.

"*United States Government Obligations*" means obligations that are direct, full faith and credit obligations of the United States of America or are obligations with respect to which the United States of America has fully and unconditionally guaranteed the timely payment of all principal or interest or both, but only to the extent of the principal or interest so guaranteed.

Unless otherwise provided herein, all references to a particular time are to New York City Time.

ARTICLE II.

SECURITY FOR BONDS

Section 2.1 Grant of Security Interest and Assignment of Loan Agreement. (a) The Issuer, in consideration of the purchase of the Bonds by the Owners thereof and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, in order to secure the payment of the Bonds and the performance and observance of all the covenants and conditions set forth in the Bonds and this Indenture, hereby pledges to the Trustee, and grants to the Trustee a security interest in and lien on, all of its right, title and interest, whether now owned or hereafter acquired, in, to and under the following (collectively, the "Trust Estate"):

(i) the Loan Agreement and any Additional Parity Bonds Loan Agreement (except for Reserved Rights), including, without limitation, all Revenues and all rights to payment with respect to the Loan Agreement, any Additional Parity Bonds Loan Agreement, and the Revenues;

(ii) each fund and each account established under this Indenture (except (i) the Series 2026A Rebate Fund and any similar fund established with respect to any Additional Parity Bonds and (ii) any other fund or account specifically excluded from the Trust Estate pursuant to the terms of a Supplemental Indenture) and all money, instruments, securities, investment property, and other property (including proceeds of the sale of the Bonds) on deposit in or credited to any fund or account established pursuant to this Indenture (except (i) the Series 2026A Rebate Fund and any similar fund established with respect to any Additional Parity Bonds and (ii) any other fund or account specifically excluded from the Trust Estate pursuant to the terms of a Supplemental Indenture);

(iii) the Collateral Security Agreement and each other Security Documents; and

(iv) any and all other property, revenues, rights or funds from time to time hereafter by delivery or by writing of any kind specifically pledged and granted a security interest and lien on as additional security for any of the Bonds, the Loan Agreement or any Additional Parity Bonds Loan Agreement (if executed) in favor of the Trustee or the Collateral Agent on behalf of the Trustee, including any of the foregoing pledged and granted a security interest and lien on by the Borrower or any other Person on behalf of the Borrower; and

(v) all proceeds of the foregoing.

(b) The Issuer hereby assigns to the Trustee all of the right, title and interest of the Issuer in the Loan Agreement and any Additional Parity Bonds Loan Agreement (excluding the Reserved Rights), whether now owned or hereafter acquired. The Trustee shall be entitled to and shall collect and receive all of the Revenues, and any Revenues collected or received by the Issuer shall be deemed to be held, and to have been collected or received, by the Issuer as the agent of the Trustee and shall forthwith be paid by the Issuer to the Trustee. The Trustee also shall be entitled to and shall take all steps, actions and proceedings reasonably necessary in its judgment to enforce all of the rights of the Issuer (other than the Reserved Rights) and all of the obligations of the Borrower under the Loan Agreement and any Additional Parity Bonds Loan Agreement. All Revenues received by the Trustee shall be held, disbursed, allocated and applied by the Trustee only as provided in this Indenture.

(c) Nothing in the Bonds or in this Indenture shall be considered or construed as pledging any funds or assets of the Issuer other than those pledged hereby or creating any liability of the Issuer's members, directors, employees or other agents.

Section 2.2 Perfection of Pledge of Trust Estate. (a) The Issuer shall cause to be filed in the appropriate filing office in the State of Rhode Island a Uniform Commercial Code financing statement in the form attached to this Indenture as Exhibit E. No Person, including but not limited to the Issuer and the Trustee, is taking responsibility that the form of the initial Uniform Commercial Code financing statement attached to this Indenture as Exhibit E is sufficient to

perfect or maintain the perfection and the priority of the security interest granted pursuant to Section 2.1 (or the accuracy or sufficiency of any description of collateral in such initial filing). The Issuer hereby irrevocably authorizes the Trustee, and the Trustee hereby agrees, to cause to be filed a continuation statement with respect to each Uniform Commercial Code financing statement relating to such security interest and naming the Trustee as the secured party, in such manner and in such places as the initial filings (copies of which shall be provided to the Trustee by the Issuer) were made. The Borrower shall be responsible for the reasonable costs incurred by the Issuer and the Trustee in the preparation and filing of the initial Uniform Commercial Code financing statement and all such continuation statements hereunder. No Person (other than the Trustee) shall be responsible for filing continuation statements. Notwithstanding anything to the contrary contained herein, no Person shall be responsible for taking any other actions with respect to the perfection or the maintenance of the perfection or the priority of any security interest granted pursuant to Section 2.1. Notwithstanding anything to the contrary contained in this Indenture, the Trustee shall not be responsible for filing any modifications or amendments to the initial filings required by any amendments to Article 9 of the Uniform Commercial Code, and unless the Trustee shall have received written notification from any Beneficial Owner, the Issuer or the Borrower that any such initial filing or description of collateral was or has become defective, the Trustee shall be fully protected in relying on such initial filing and descriptions in filing any continuation statements or modifications thereto pursuant to this Section 5.01(c) and in filing any continuation statements in the same filing offices as the initial filings were made.

(b) Pursuant to Section 45-38.1-11 of the Act, the pledge set forth in Section 2.1(A) is valid and binding from the time when the pledge is made; the rates, rents, fees, and charges and other revenue or other moneys pledged and thereafter received by the Issuer immediately subject to the lien of the pledge without any physical delivery or further act, and the lien of the pledge valid and binding against all parties having claims of any kind in tort, contract, or otherwise against the Issuer, irrespective of whether the parties have notice thereof. Neither the resolution nor any trust agreement, nor any other agreement, nor any lease by which a pledge is created, need be filed or recorded except in the records of the Issuer.

Section 2.3 Amounts Received Pursuant to the Collateral Security Agreement. All funds provided by the Collateral Agent to the Trustee pursuant to the Collateral Security Agreement for deposit into any fund or account of this Indenture will be available together with other moneys then on deposit in such funds and accounts to be used for the applicable purposes as set forth in this Indenture.

Section 2.4 Bonds Secured on Equal and Proportionate Basis. The Trust Estate shall be held by the Trustee for the equal and proportionate benefit of the Owners and any of them, without preference, priority or distinction as to lien or otherwise, except as otherwise set forth in a Supplemental Indenture.

Section 2.5 Limited Obligations. None of the Issuer, any Issuer member or any person executing the Bonds is liable personally on the Bonds or subject to any personal liability or accountability by reason of their issuance. The Bonds are limited obligations of the Issuer, payable solely from the Trust Estate. The State and the political subdivisions of the State are not and shall not be liable on the Bonds or any agreement entered into in connection therewith, including this Indenture and the Loan Agreement, or for any other debt, obligation, or liability of the Issuer, whether in tort, contract, or otherwise. Pursuant to the Act, the State pledges to and agrees with the Owners that the State shall not limit or alter the rights vested in the Issuer by the Act to fulfill the terms of this Indenture and the Loan Agreement or in any way impair the rights and remedies of such Owners until the Bonds, together with interest thereon, with the interest on any unpaid installments of interest, and all costs and expenses in connection with any action or proceeding by or on behalf of such Owners, are fully met and discharged.

The Issuer shall not be liable for payment of the principal of, Redemption Price of, or interest on, the Bonds or any other costs, expenses, losses, damages, claims or actions of any conceivable kind on any conceivable theory, under or by reason of or in connection with this Indenture, the Bonds or any other documents, except only to the extent amounts are received for the payment thereof from the Borrower under the Loan Agreement. The Issuer has no taxing power.

Section 2.6 Bonds Constitute a Contract. The Bonds shall constitute a contract between the Issuer and the Owners of the Bonds for their benefit.

Section 2.7 Borrower to Take Certain Action Hereunder. The Issuer and the Trustee (i) hereby acknowledge that pursuant to Section 3.06 of the Loan Agreement the Borrower has agreed to take all action required to be taken by the Borrower in this Indenture as if the Borrower were a party to this Indenture, and (ii) subject to the terms and provisions of the Loan Agreement and this Indenture, hereby authorize the Borrower to take any such action pursuant hereto.

ARTICLE III.

AUTHORIZATION, ISSUANCE AND DELIVERY OF BONDS

Section 3.1 Authorization, Purpose, Name, Principal Amount, Interest Rates and Place of Payment.

(a) *Authorization and Amount*.

(i) There shall be issued under and secured by this Indenture a series of bonds, designated as the "Rhode Island Health and Educational Building Corporation Revenue Bonds (Madrone – South County Hospital EaaS I), Series 2026A" (the "Series 2026A Bonds"), in the aggregate principal amount of $[2026A PAR].

(ii) There shall be issued under and secured by this Indenture a series of bonds, designated as the "Rhode Island Health and Educational Building Corporation Revenue Bonds (Madrone – South County Hospital EaaS I), Taxable Series 2026B" (the "Series 2026B Taxable Bonds"), in the aggregate principal amount of $[2026B PAR].

(iii) The Series 2026 Bonds are being issued for the purpose of funding the Series 2026 Loan to the Borrower for the Financing Purposes. The issuance of the Series 2026 Bonds by the Issuer is in connection with and in furtherance of the essential public and governmental purposes to be served by the Issuer under the Act.

(b) *Date, Maturity and Interest*. The Bonds shall be dated the date of their original issuance and delivery, and shall bear interest from their date or from the most recent Interest Payment Date to which interest has been paid or duly provided for, on the basis of a 360-day year comprised of twelve 30-day months, payable on each Interest Payment Date as herein provided until payment of the principal or Redemption Price thereof is made or provided for, whether at maturity, upon redemption, acceleration or otherwise. Interest on the Bonds shall be payable in arrears on each Interest Payment Date, commencing on the first Interest Payment Date after the Closing Date.

The Series 2026A Bonds shall bear interest at the interest rates set forth in the following schedule and shall mature, subject to earlier redemption, on the dates and in the principal amounts set forth in the following schedule:

Principal Amount	Interest Rate	Maturity Date (September 1)
$ [__]	%	
		†
		†

† Term Bond.

The Series 2026B Taxable Bonds shall bear interest at the interest rates set forth in the following schedule and shall mature, subject to earlier redemption, on the dates and in the principal amounts set forth in the following schedule:

Principal Amount	Interest Rate	Maturity Date (September 1)
$[__]	%	
$[__]	%	†

† Term Bond.

(c) *Method and Place of Payment*. The Trustee shall act as paying agent for the purpose of effecting payment of the principal of, Redemption Price, and interest on the Bonds.

The principal of, Redemption Price, and interest on the Bonds shall be payable in any coin or currency of the United States of America which on the respective dates of payment thereof is legal tender for the payment of public and private debts.

The principal of and the Redemption Price, on all Bonds shall be payable (i) by check, (ii) if the aggregate principal amount of the Bonds held by any Owner exceeds $1,000,000, by wire transfer to an account designated by such Owner, (iii) in the case of Bonds in book-entry form, to DTC in immediately available funds and disbursement of such funds to owners of beneficial interests in Bonds in book-entry form will be made in accordance with the procedures of DTC or (iv) by such other method as mutually agreed in writing between the Owner of a Bond and the Trustee at maturity or upon earlier redemption to the Owners in whose names such Bonds are registered on the bond register maintained by the Trustee at the maturity date or redemption date thereof, upon the presentation and surrender of such Bonds at the Designated Payment Office of the Trustee.

The interest payable on each Bond on any Interest Payment Date shall be paid (i) by check sent on or prior to the appropriate date of payment, by the Trustee to the address of the Owner appearing in the registration books on the Record Date, (ii) in the case of Bonds in book-entry form, to DTC in immediately available funds and disbursement of such funds to owners of beneficial interests in Bonds in book-entry form will be made in accordance with the procedures of DTC or (iii) by such other method as mutually agreed in writing between the Owner of the Bond and the Trustee. Any such interest not so timely paid shall cease to be payable to the person who is the Owner thereof at the close of business on the Record Date and shall be payable to the person who is the Owner thereof at the close of business on a Special Record Date for the payment of such defaulted interest. Such Special Record Date shall be fixed by the Trustee whenever moneys become available for payment of the defaulted interest, and notice of the Special Record Date shall be given by the Trustee to the Owners of the Bonds, not less than 10 days prior to the Special Record Date, by certified or first-class mail to each such Owner as shown on the Trustee's registration records (or in accordance with the procedures of DTC) on a date selected by the Trustee, stating the date of the Special Record Date and the date fixed for the payment of such defaulted interest. Alternative means of payment of interest may be used if mutually agreed to in writing between the Owner of any Bond and the Trustee, provided that the Trustee shall provide the Issuer and the Borrower with a copy of any such agreement.

Section 3.2 Execution and Authentication of Bonds.

(a) *Execution of the Bonds*. The Series 2026 Bonds shall be signed on behalf of the Issuer by the manual signature of a Responsible Officer thereof, and the corporate seal of the Issuer or a facsimile thereof shall be engraved or otherwise reproduced thereon. In case any officer whose manual signature or a facsimile of whose signature shall appear on any Bond shall cease to be such officer before the delivery of the Bonds, such manual signature or such facsimile shall nevertheless be valid and sufficient for all purposes the same as if he had remained in office until such delivery. Any Bond may be signed by such persons as at the actual time of the execution thereof shall be the proper officers to sign such Bond although at the date of such Bond such persons may not have been such officers.

(b) *Authentication of the Bonds*. No Bond shall be secured hereby or entitled to the benefit hereof, nor shall any such Bond be valid or obligatory for any purpose, unless a certificate of authentication, substantially in the form set forth in Exhibit A hereto, has been duly executed by the Trustee manually upon Trustee receipt of an authentication order; and such certificate of the Trustee upon any such Bond shall be conclusive evidence and the only competent evidence that such Bond has been authenticated and delivered hereunder. The Trustee's certificate of authentication shall be deemed to have been duly executed by the Trustee if manually signed by a Trustee Representative, but it shall not be necessary that the same officer or employee sign the certificate of authentication on all of the Bonds. By authenticating any of the Bonds delivered pursuant to this Indenture, the Trustee shall be deemed to have assented to the provisions of this Indenture.

(c) *Recital in Bonds*. Each Bond issued under the Act shall contain a statement consistent with Section 2.5 hereof with respect to the Bonds.

Section 3.3 Delivery of Series 2026 Bonds.

(a) The Issuer shall deliver a written request and authorization to the Trustee to authenticate the Series 2026 Bonds and deliver said Series 2026 Bonds to the Underwriter, upon payment to or on behalf of the Trustee, of the purchase price thereof. The Trustee shall be entitled to rely conclusively upon such request and authorization as to the Underwriter and the amount of such purchase price.

(b) When the Series 2026 Bonds shall have been executed and authenticated as required by this Indenture, the Trustee shall deliver the Series 2026 Bonds to or upon the order of the Underwriter, but only upon payment by or on behalf of the Underwriter to or on behalf of the Trustee of the purchase price of the Series 2026 Bonds pursuant to the terms of the Financing Documents. Proceeds of the sale of the Series 2026 Bonds shall be applied, as more particularly described in the Certificate Regarding Receipt and Application of Proceeds executed and delivered on the Closing Date by the Issuer and the Borrower pursuant to Section 3.01 of the Loan Agreement.

Section 3.4 CUSIP Numbers. The Issuer in issuing the Bonds may use "CUSIP" numbers (if then generally in use), and, if so, the Trustee shall use "CUSIP" numbers in notices of redemption as a convenience to Holders; provided that the Trustee shall have no liability for any defect in the "CUSIP" numbers as they appear on any Bond, notice or elsewhere, and, provided further that any such notice may state that no representation is made as to the correctness of such numbers either as printed on the Bonds or as contained in any notice of a redemption and that reliance may be placed only on the other identification numbers printed on the Bonds, and any such redemption shall not be affected by any defect in or omission of such numbers. The Borrower will promptly notify the Trustee in writing of any change in the "CUSIP" numbers.

ARTICLE IV.

TERMS OF BONDS

Section 4.1 Form of Bond, Registered Form, Denominations and Numbering of Bonds. The Bonds shall be issuable only as fully registered Bonds in Authorized Denominations (provided that no individual Bond may be issued for more than one maturity), without coupons, in substantially the form set forth in Exhibit A attached hereto, with such necessary or appropriate variations, omissions and insertions as are permitted or required by this Indenture. The Bonds may have endorsed thereon such legends or text as may be necessary or appropriate to conform to any applicable rules and regulations of any Governmental Authority or any custom, usage or requirement of law with respect thereto. The Bonds shall be numbered from R-1 consecutively upward in order of issuance, with the appropriate subseries designation, if any, or in such other manner as the Trustee shall designate, and shall bear appropriate "CUSIP" identification numbers (if then generally in use).

Section 4.2 Registration of Bonds; Persons Treated as Owners; Transfer and Exchange of Bonds.

(a) Records for the registration and transfer of the Bonds shall be kept by the Trustee which is hereby appointed the registrar for the Bonds. The principal of, interest on and Redemption Price of any Bond shall be payable only to or upon the order of the Owner or his legal representative (except as otherwise herein provided with respect to Record Dates and Special Record Dates for the payment of interest). Upon surrender for transfer of any Bond at the Designated Payment Office of the Trustee, duly endorsed for transfer or accompanied by an assignment duly executed by the Owner or his attorney duly authorized in writing, the Trustee shall enter such transfer on the registration records and shall execute and deliver in the name of the transferee or transferees a new fully registered Bond or Bonds of a like maturity, aggregate principal amount and interest rate, bearing a number or numbers not previously assigned.

(b) Fully registered Bonds may be exchanged at the Designated Payment Office of the Trustee for an equal aggregate principal amount of Bonds of the same maturity and interest rate but of other Authorized Denominations. The Trustee shall execute and deliver Bonds which the Owner making the exchange is entitled to receive, bearing numbers not previously assigned.

(c) All Bonds issued upon any transfer or exchange of Bonds shall be the valid obligations of the Issuer, as limited hereunder, evidencing the same debt, and entitled to the same benefits under this Indenture, as the Bonds surrendered upon transfer or exchange.

(d) The Trustee may require the payment, by the Owner of any Bond requesting exchange or transfer, of any reasonable charges as well as any taxes, transfer fees or other governmental charges required to be paid with respect to such exchange or transfer.

(e) The Trustee shall not be required to transfer or exchange (i) all or any portion of any Bond during the period beginning at the opening of business 10 days before

the day of the sending by the Trustee of notice calling any of the Bonds for prior redemption and ending at the close of business on the day of such sending or (ii) all or any portion of a Bond after the sending of notice calling such Bond or any portion thereof for prior redemption.

(f) Except as otherwise herein provided with respect to Record Dates and Special Record Dates for the payment of interest, the Person in whose name any Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of or on account of the principal of and interest on or Redemption Price of any Bond shall be made only to or upon the written order of the Owner thereof or his legal representative, but such registration may be changed as herein provided. All such payments shall be valid and effectual to satisfy and discharge such Bond to the extent of the sum or sums paid.

Section 4.3 [Reserved]

Section 4.4 Mutilated, Lost, Stolen or Destroyed Bonds. In the event that any Bond is mutilated, lost, stolen or destroyed, a new Bond of like series, date, maturity, interest rate and denomination as that mutilated, lost, stolen or destroyed shall be executed, authenticated and delivered in accordance with the terms and conditions of this Indenture to the Owner of such Bond upon receipt by the Trustee of such evidence, information or indemnity from the Owner of the Bond as the Trustee may reasonably require and, in case of any mutilated Bond, upon the surrender of the mutilated Bond to the Trustee. If any such Bond shall have matured, instead of issuing a duplicate Bond, the Issuer may direct the Trustee to pay the same without surrender thereof. The Trustee and the Issuer may charge the Owner of the Bond for its reasonable fees and expenses in connection therewith and require payment of such fees and expenses, and in the case of a lost, stolen or destroyed Bond, the Issuer and the Trustee may require indemnity reasonably satisfactory to each, as a condition precedent to the delivery of a new Bond. Every new Bond issued pursuant to this Section by reason of any Bond being mutilated, lost, stolen or destroyed (a) shall constitute, to the extent of the outstanding principal amount of the Bond lost, mutilated, stolen or destroyed, an additional contractual obligation of the Issuer, as limited hereunder, regardless of whether the mutilated, lost, stolen or destroyed Bond shall be enforceable at any time by anyone, and (b) shall be entitled to all of the benefits of this Indenture equally and proportionately with any and all other Outstanding Bonds.

Section 4.5 Payment of Debt Service and Redemption Price.

(a) The principal and Redemption Price of any Bond shall be paid to the Owner thereof as shown on the registration records of the Trustee upon the maturity or prior redemption thereof in accordance with Section 3.1 of this Indenture and upon presentation and surrender at the Designated Payment Office of the Trustee.

(b) Interest on the Bonds shall be paid to the Owner thereof in accordance with Section 3.1 of this Indenture.

Section 4.6 Redemption of Bonds and Redemption Payments.

The Series 2026 Bonds are subject to redemption prior to their stated maturity, in accordance with the terms and provisions of this Indenture, as follows:

(a) Optional Redemption for the Series 2026A Bonds. The Series 2026A Bonds maturing on and after September 1, 20[__] are subject to redemption prior to maturity, at the option of the Borrower, in whole or in part, in such amounts and maturities as may be designated by the Borrower, on any date on or after [_______], at the Redemption Price equal to the principal amount thereof, plus interest accrued thereon, if any, to the date fixed for redemption, without premium.

(b) Optional Redemption for the Series 2026B Taxable Bonds. The Series 2026B Taxable Bonds are redeemable prior to maturity, at the option of the Borrower, in whole or in part, on any Business Day in such amounts and maturities as designated by the Borrower, at the Make-Whole Redemption Price applicable to the Series 2026B Taxable Bonds, together with accrued interest thereon to the date fixed for redemption.

The Make-Whole Redemption Price shall be determined by an independent accounting firm or financial advisor retained by the Borrower and such accounting firm or financial advisor shall perform all actions and make all calculations required to determine the Make-Whole Redemption Price. Such accounting firm or advisor shall provide the Make-Whole Redemption Price to the Trustee at least two (2) Business Days prior to the redemption date. The Trustee and the Borrower may conclusively rely on such accounting firm's or financial advisor's calculations in connection with, and determination of, the Make-Whole Redemption Price, and shall bear no liability for such reliance.

"Comparable Treasury Issue" means, with respect to the Series 2026B Taxable Bonds of a particular maturity, the United States Treasury security or securities selected by a Designated Investment Banker as having an actual or interpolated maturity comparable to the remaining term of the Series 2026B Taxable Bonds of such maturity to be redeemed that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of a comparable maturity to the remaining term of such maturity of the Series 2026B Taxable Bonds.

"Comparable Treasury Price" means, with respect to any redemption date, with respect to the Series 2026B Taxable Bonds of a particular maturity, the average of the Reference Treasury Dealer Quotations for such redemption date, or, if the Designated Investment Banker is only able to obtain one Reference Treasury Dealer Quotation, such Reference Treasury Dealer Quotation.

"Designated Investment Banker" means one of the Reference Treasury Dealers appointed by the Borrower.

"Make-Whole Redemption Price" means the greater of (i) 100% of the principal amount of any Series 2026B Taxable Bonds of such maturity being redeemed, or (ii) the sum of the present values of the applicable remaining scheduled payments of principal and interest on any Series 2026B Taxable Bonds of such maturity being redeemed (exclusive of interest accrued to

the date of redemption) discounted to the redemption date on a semiannual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate plus [__] basis points.

"Reference Treasury Dealer" means one or more entities appointed by the Borrower, with the consent of the Health System, which in each case, is a primary United States government securities dealer.

"Reference Treasury Dealer Quotations" means, with respect to each Reference Treasury Dealer and any redemption date for the Series 2026B Taxable Bonds of a particular maturity, the average, as determined by the Designated Investment Banker, of the bid and asked prices for the applicable Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Designated Investment Banker and communicated to the Trustee by such Reference Treasury Dealer at 3:30 p.m., New York City time, on the third Business Day preceding such redemption date.

"Treasury Rate" means, with respect to any redemption date, the rate per annum equal to the semiannual equivalent yield to maturity or interpolated (on a day count basis) with respect to the Series 2026B Taxable Bonds of a particular maturity of the Comparable Treasury Issue with respect thereto, computed as of the second Business Day immediately preceding such redemption date, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such redemption date.

(c) Mandatory Sinking Fund Redemption. The Series 2026A Bonds maturing on September 1, [___] are subject to mandatory redemption prior to maturity, in part, at a Redemption Price equal to the principal amount thereof, plus interest accrued thereon, if any, to the date fixed for redemption, without premium, on September 1 of the years and in the aggregate principal amounts set forth in the following table:

Redemption Dates (September 1)	Principal Amount
	$
*	

* Final maturity.

The Series 2026A Bonds maturing on September 1, [___] are subject to mandatory redemption prior to maturity, in part, at a Redemption Price equal to the principal amount thereof, plus interest accrued thereon, if any, to the date fixed for redemption, without premium, on September 1 of the years and in the aggregate principal amounts set forth in the following table:

Redemption Dates (September 1)	Principal Amount
	$
*	

* Final maturity.

The Series 2026B Taxable Bonds maturing on September 1, [___] are subject to mandatory redemption prior to maturity, in part, at a Redemption Price equal to the principal amount thereof, plus interest accrued thereon, if any, to the date fixed for redemption, without premium, on September 1 of the years and in the aggregate principal amounts set forth in the following table:

Redemption Dates (September 1)	Principal Amount
	$
*	

* Final maturity.

(d) Extraordinary Mandatory Redemption. Unless a Debt Assumption has been fully effectuated, the Series 2026 Bonds shall be subject to extraordinary mandatory redemption on the date of termination of the ERPA as it relates to clauses (i) and (ii), or the date of prepayment as it relates to clause (iv) as described below:

(i) Termination of ERPA by Health System for Convenience. The Series 2026A Bonds shall be subject to extraordinary mandatory redemption, in whole but not in part, on any Business Day on or after the first day of the eleventh (11th) Service Year (as defined in the ERPA) at the Redemption Price equal to 100% of the principal amount of the Series 2026A Bonds to be redeemed plus accrued interest to but not including the date fixed for redemption, in each case from amounts received by the Trustee from the Collateral Agent from the Redemption Account in accordance with Section 4.4(c) of the Collateral Security Agreement in the event the Health System terminates the ERPA for convenience pursuant to Section 22.3 of the ERPA. The Series 2026B Taxable Bonds shall be subject to redemption, in whole but not in part, on or after the first date of the eleventh (11th) Service Year (as defined in the ERPA) at the Make-Whole Redemption Price applicable to the Series 2026B Taxable Bonds, together with accrued interest to the date fixed for redemption, from amounts received by the Trustee from the Collateral Agent from

the Redemption Account in accordance with Section 4.4(c) of the Collateral Security Agreement in the event the Health System terminates the ERPA for convenience pursuant to Section 22.3 of the ERPA.

(ii) Termination of ERPA (other than as provided by (d)(i) above). The Series 2026A Bonds shall be subject to extraordinary mandatory redemption, in whole but not in part, on any Business Day, at the Redemption Price equal to 100% of the Amortized Redemption Price of the Series 2026A Bonds to be redeemed, plus accrued interest to, but not including, the date fixed for redemption, from amounts received by the Trustee from the Collateral Agent from the Redemption Account in accordance with Section 4.4(c) of the Collateral Security Agreement in the event the ERPA is terminated other than by the Health System for convenience pursuant to Section 22.3 of the ERPA. The Series 2026B Taxable Bonds shall be subject to mandatory redemption, in whole but not in part, on any Business Day at the Make-Whole Redemption Price applicable to the Series 2026B Taxable Bonds, together with accrued interest to the date fixed for redemption, from amounts received by the Trustee from the Collateral Agent from the Redemption Account in accordance with Section 4.4(c) of the Collateral Security Agreement in the event the ERPA is terminated other than by the Health System for convenience pursuant to Section 22.3 of the ERPA.

(iii) [Reserved].

(iv) Prepayment to Maintain Tax-Exempt Status of the Series 2026A Bonds. The Series 2026A Bonds shall be subject to extraordinary mandatory redemption, in whole or in part, on any Business Day, in such amounts as may be designated by the Borrower, at the Redemption Price equal to 100% of the Amortized Redemption Price of the Series 2026A Bonds to be redeemed, plus interest accrued thereon, if any, to, but not including, the date fixed for redemption, without premium, from any source of available funds (including from amounts received by the Trustee from the Collateral Agent from the Redemption Account in accordance with Section 4.4(c) of the Collateral Security Agreement pursuant to Section 15.4 of the ERPA) if required by law and federal tax regulations and upon delivery to the Issuer and the Trustee of a written opinion of Bond Counsel to the effect that, unless the Series 2026A Bonds or a specified part thereof are redeemed and retired either prior to or concurrently with (i) any sale or disposition of an asset, (ii) an event of taxability related to the Series 2026A Bonds or (iii) an event of taxability related to the status of the Health System as an organization described in Section 501(c)(3) of the Code or an event of taxability related to the status of the Borrower as a disregarded entity with its owner being an organization described in Section 501(c)(3) of the Code and, which does not result in termination of the ERPA as provided in Section 15.4 therein, Bond Counsel is unable to render an unqualified opinion that such event will not, in and of itself, result in the inclusion of interest on the Series 2026A Bonds in gross income for federal income tax purposes.

(e) The Amortized Redemption Price shall be determined by an independent accounting firm or financial advisor retained by the Borrower and such accounting firm or financial advisor shall perform all actions and make all calculations required to determine the Amortized Redemption Price. Such accounting firm or advisor shall provide the

Amortized Redemption Price to the Trustee at least two (2) Business Days prior to the redemption date. The Trustee and the Borrower may conclusively rely on such accounting firm's or financial advisor's calculations in connection with, and determination of, the Amortized Redemption Price, and shall bear no liability for such reliance.

(f) Extraordinary Optional Redemption. If a Debt Assumption has been fully effectuated and the Health System as the substitute Borrower exercises its option to prepay its obligations under the Loan Agreement in full or in part as provided in the Loan Agreement upon the occurrence of certain events described in Section 13.20(b) hereof, the Series 2026A Bonds shall be subject to extraordinary optional redemption, in whole or in part, on any Business Day, in such amounts as may be designated by the Borrower, at the Redemption Price equal to 100% of the principal amount of the Series 2026A Bonds to be redeemed, plus accrued interest to, but not including, the date fixed for redemption.

(g) (i) Except as provided in (ii) below of this Indenture as it relates to the Series 2026B Taxable Bonds or in a Supplemental Indenture with respect to Additional Parity Bonds, whenever provision is made in this Indenture for the redemption of less than all of the Bonds of any series and maturity or any given portion thereof, the Trustee shall select the Bonds to be redeemed, from all Bonds of such series and maturity subject to redemption or such given portion thereof not previously called for redemption, as directed in writing by the Borrower or in the absence of direction by lot.

(ii) Whenever provision is made in this Indenture for the redemption of less than all of the Series 2026B Taxable Bonds of any maturity, the Trustee shall select the Series 2026B Taxable Bonds to be redeemed from all such Bonds of such maturity subject to redemption or such given portion thereof not previously called for redemption, on a pro rata pass-through distribution of principal basis. If the Series 2026B Taxable Bonds are registered in book-entry only form and so long as Cede & Co. or its registered assigns or a successor securities depository is the sole registered owner of such Bonds, if less than all of the Series 2026B Taxable Bonds of any maturity are called for prior redemption, the particular Bonds of such maturity or portions thereof to be redeemed shall be allocated on a pro rata pass-through distribution of principal basis in accordance with Cede & Co. or its registered assigns or a successor securities depository procedures, provided that, so long as the Series 2026B Taxable Bonds are held in book-entry form, the selection for redemption of such Bonds shall be made in accordance with the operational arrangements of Cede & Co. or its registered assigns or a successor securities depository then in effect, and, if Cede & Co. or its registered assigns or a successor securities depository's operational arrangements do not allow for redemption on a pro rata pass-through distribution of principal basis, the Series 2026B Taxable Bonds of such maturity will be selected for redemption, in accordance with Cede & Co. or its registered assigns or a successor securities depository procedures, by lot. The Borrower intends that redemption allocations made by Cede & Co. or its registered assigns or a successor securities depository be made on a pro rata pass-through distribution of principal basis as described above. However, the Borrower can provide no assurance that Cede & Co. or its registered assigns or a successor securities depository, Cede & Co. or its registered assigns or a successor securities depository's direct and indirect participants or any other intermediary will allocate the redemption of Series 2026B Taxable Bonds on such basis. In connection with any repayment of principal, including payments of scheduled mandatory sinking fund payments, the Trustee will direct Cede & Co. or its registered assigns or a successor securities depository to make a pass-through distribution of principal to the Owners of the Series 2026B Taxable Bonds. For purposes of calculation of the "pro rata pass-through distribution of principal," "pro rata" means, for any amount of principal to be paid, the application of a fraction to each denomination of the respective maturity of the Series 2026B Taxable Bonds where (a) the numerator of which is equal to the amount due to the respective Owners on a payment date, and (b) the denominator of which is equal to the total original par amount of the respective maturity of Series 2026B Taxable Bonds.

(h) On the dates specified herein, the Issuer shall pay or cause to be paid to the Trustee, but solely from funds received from (or on behalf of) the Borrower, including funds provided pursuant to the Collateral Security Agreement, for deposit into the Redemption Account of the Debt Service Fund, or any applicable sub-account thereof, moneys sufficient to pay the Redemption Price of the Series 2026 Bonds to be redeemed on the date fixed for redemption. Subject to the terms of Article V and the Collateral Security Agreement, the Issuer and the Trustee shall make such payment solely from moneys available to the Issuer or the Trustee, as applicable, from (or on behalf of) the Borrower, including funds provided pursuant to the Collateral Security Agreement. The Trustee shall use the moneys paid to it for such purpose and such other available moneys in the applicable Account of the Debt Service Fund to pay the Redemption Price due on the Series 2026 Bonds to be redeemed on the date fixed for redemption. Upon the giving of notice and the deposit of such funds as may be available for redemption pursuant to this Indenture, interest on the Bonds or portions thereof thus called for redemption shall no longer accrue from and after the date fixed for redemption.

(i) The Trustee shall pay to the Owners of the Bonds so redeemed, the amounts due on their respective Bonds, at the Designated Payment Office of the Trustee upon presentation and surrender of the Bonds.

Section 4.7 Notice of Redemption. Notice of any redemption of Series 2026 Bonds shall be as set forth in the Form of Bonds attached as Exhibit A to this Indenture.

Section 4.8 Book-Entry Registration. Except as set forth below in this Section 4.8, the Bonds shall be delivered only in book-entry form registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), New York, New York, acting as the securities depository of the Bonds and the principal of and interest on and Redemption Price of the Bonds shall be paid by wire transfer to DTC. The Issuer has entered into a Letter of Representations with DTC. DTC may determine to discontinue providing its service with respect to the Bonds at any time by giving notice to the Issuer and the Trustee and discharging its responsibilities with respect thereto under applicable law. If there is no successor securities depository appointed by the Issuer, the Issuer shall, at the expense of the Borrower and upon the advice of Bond Counsel, execute and the Trustee will authenticate and deliver Bonds to the beneficial owners thereof. The Issuer, at the direction of the Borrower, may determine not to continue participation in the system of book-entry transfers through DTC (or a successor securities depository) relative to the Bonds at any time by giving reasonable notice to DTC (or a successor securities depository) and the Trustee. In such event, the Issuer will, at the expense of the Borrower and upon the advice of Bond Counsel, execute and the Trustee will authenticate and deliver Bonds to the beneficial owners thereof pursuant to Section 4.2 hereof. Neither the Issuer nor the Trustee shall have any liability to DTC, Cede & Co., any substitute securities depository, any Person in whose name the Bonds are reregistered at the direction of any substitute securities depository, any beneficial owner of the Bonds or any other Person for (i) any determination made by the Issuer pursuant to this Section or (ii) any action taken to implement such determination and the procedures related thereto that is taken pursuant to any direction of or in reliance on any information provided by DTC, Cede & Co., any substitute securities depository or any Person in whose name the Bonds are reregistered. Neither the Bond Trustee nor any agent shall have any responsibility or liability for any actions taken or not taken by DTC or successor securities depository.

Section 4.9 Delivery of New Bonds Upon Partial Redemption. Upon surrender and cancellation of a Bond for redemption in part only, a new Bond or Bonds of the same series, maturity and interest rate and in an Authorized Denomination equal to the unredeemed or untendered portion of the original partially redeemed Bond, shall be executed on behalf of and delivered by the Issuer and the Trustee in accordance with Sections 3.2 and 4.1 hereof.

Section 4.10 Nonpresentment of Bonds.

(a) In the event any Bond shall not be presented for payment on any date when the principal thereof becomes due, either at maturity, or at the date fixed for redemption thereof, or as set forth herein or in any Supplemental Indenture regarding redemptions or otherwise, and if funds sufficient to pay such Bond shall have been made available to the Trustee for the benefit of the Owner thereof, all liability to the Owner thereof for the payment of such Bond shall forthwith cease, terminate and be completely discharged, and thereupon it shall be the duty of the Trustee to hold such funds uninvested or invested in direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America (or by any agency thereof to the extent such obligations are backed by the full faith and credit of the United States of America) for three (3) years, for the benefit of the Owner of such Bond, as specifically directed by the Borrower, without liability for interest thereon to such Owner, who shall thereafter be restricted exclusively to such funds, for any claim of whatever nature on his part under this Indenture or on, or with respect to, such Bond.

(b) Except as may otherwise be required by applicable law, in case any moneys deposited with the Trustee for the payment of the principal of, or interest or Redemption Price, on any Bond remain unclaimed for more than three (3) years after such principal, interest or premium has become due and payable, the Trustee may, and upon receipt of a written request of the Borrower shall, pay over to the Borrower the amount so deposited in immediately available funds, without additional interest, and thereupon the Trustee and the Issuer shall be released from any further liability with respect to the payment of principal, interest or premium, and the owner of such Bond shall be entitled (subject to any applicable statute of limitations) to look only to the Borrower as an unsecured creditor for the payment thereof.

Section 4.11 Cancellation of Bonds. Whenever any Outstanding Bonds have been paid or redeemed or are otherwise delivered to the Trustee for cancellation, upon payment or redemption thereof or before or after replacement, the respective Bonds shall be promptly cancelled by the Trustee. The Issuer may not issue new Bonds to replace Bonds it has paid or delivered to the Trustee for cancellation for any reason other than in connection with a transfer or exchange in accordance with the terms of this Indenture.

Section 4.12 Open Market Purchases/Purchase in Lieu of Redemptions. The Borrower may, to the extent permitted by applicable law, at any time and from time to time purchase Bonds in the open market, on an exchange or by tender or in a privately negotiated transaction at any price. Any Bonds so purchased may be held by or for the account of the Borrower, and the Borrower may surrender such Bonds to the Trustee for cancellation.

At any time prior to giving notice of redemption, the Trustee shall, upon direction of the Borrower, apply any amounts in the Redemption Account (excluding accrued interest, which is payable from the Interest Account) to the purchase of Bonds subject to optional redemption pursuant hereto or to the Form of Bonds attached hereto as Exhibit A, at public or private sale, as and when and at such prices (including brokerage and other charges) as the Borrower may direct, except that the purchase price may not exceed the Redemption Price then applicable to such Bonds.

Whenever Bonds are called for redemption pursuant to the Form of Bonds attached hereto as Exhibit A, the Trustee may, upon written direction of the Borrower, apply amounts in the Redemption Account (excluding accrued interest, which is payable from the Interest Account) or such other funds as may be provided by the Borrower thereof to purchase some or all of the Bonds subject to optional redemption on the applicable redemption date, at the Redemption Price then applicable to such Bonds.

Section 4.13 Effect of Redemption. Notice of redemption having been duly given as aforesaid, and sufficient funds for payment of the Redemption Price of, together with interest accrued to the redemption date on, the Bonds (or portions thereof) so called for redemption being held by the Trustee, on the redemption date designated in such notice, the Bonds (or portions thereof) so called for redemption shall become due and payable at the Redemption Price specified in such notice together with interest accrued thereon to the redemption date, and, interest on the Bonds so called for redemption shall cease to accrue from and after the redemption date, said Bonds (or portions thereof) shall cease to be entitled to any benefit or security under this Indenture and the Owners of said Bonds shall have no rights in respect thereof except to receive payment of said Redemption Price and accrued interest to the date fixed for redemption from funds held by the Trustee for such payment.

ARTICLE V.

FUNDS AND ACCOUNTS

Section 5.1 Establishment of Funds and Accounts.

There is hereby created and established the following funds and accounts:

(a) The Debt Service Fund (the "Debt Service Fund"), and within the Debt Service Fund, four Accounts designated (i) the "Interest Account" (the "Interest Account"), (ii) the "Principal Account" (the "Principal Account"), (iii) the "Redemption Account" (the "Redemption Account"); and (iv) the "Series 2026 Funded Interest Account" (the "Series 2026 Funded Interest Account"), and within the Series 2026 Funded Interest Account two subaccounts designated (A) the "Series 2026A Funded Interest Subaccount" and (B) the "Series 2026B Taxable Funded Interest Subaccount";

(b) The Series 2026A Rebate Fund (the "Series 2026A Rebate Fund");

(c) The Costs of Issuance Fund (the "Costs of Issuance Fund"), and within the Costs of Issuance Fund, two Accounts designated (i) the "Series 2026A Costs of Issuance Account" and (ii) the "Series 2026B Taxable Costs of Issuance Account;" and

(d) The Energy Assets Project Fund (the "Energy Assets Project Fund"), and within the Energy Assets Project Fund, two Accounts designated (i) the "Series 2026A Energy Assets Project Account" and (ii) the "Series 2026B Taxable Energy Assets Project Account."

Notwithstanding anything herein to the contrary, the Trustee may from time to time hereafter establish and maintain additional funds, accounts or subaccounts necessary or useful in connection with any other provision of this Indenture or any Supplemental Indenture or to the extent deemed necessary by the Trustee.

Section 5.2 Debt Service Fund.

(a) Monies on deposit in any Account established within the Debt Service Fund shall be used solely for the payment of principal of or interest on or Redemption Price of the Bonds Outstanding, as set forth in this Indenture. Monies on deposit in any subaccount of the Interest Account, the Principal Account or the Series 2026 Funded Interest Account shall be used solely for the payment of principal of or interest on the applicable series of the Series 2026 Bonds Outstanding, as set forth in this Indenture. There shall be deposited into the appropriate Account and subaccount of such Account of the Debt Service Fund: (i) amounts remitted or transferred by the Collateral Agent to the Trustee for deposit into the Interest Account pursuant to Section 4.4(b) of the Collateral Security Agreement; (ii) amounts remitted or transferred by the Collateral Agent to the Trustee for deposit into the Principal Account pursuant to Section 4.4(b) of the Collateral Security Agreement; (iii) any moneys paid to the Trustee pursuant to **Error! Reference source not found.** hereof with respect to the Redemption Price of the Bonds, including amounts remitted or transferred by the Collateral Agent to the Trustee for deposit in the Redemption Account

pursuant to Section 4.4(c) of the Collateral Security Agreement; (iv) into the Series 2026A Funded Interest Subaccount, $[______] to pay interest on the Series 2026A Bonds in accordance with **Error! Reference source not found.** hereof, (v) into the Series 2026B Funded Interest Subaccount, $[______] to pay interest on the Series 2026B Taxable Bonds in accordance with **Error! Reference source not found.** hereof and (vi) all other moneys received by the Trustee that are accompanied by directions that such moneys are to be deposited into such Account.

(b) Moneys on deposit in each subaccount of the Series 2026 Funded Interest Account shall be applied by the Trustee, prior to the application of any other funds in the Debt Service Fund, to pay interest on the related Series 2026 Bonds as described in Exhibit B hereof. Notwithstanding the foregoing, upon the redemption of any portion of the Series 2026 Bonds, any funds on deposit in the related subaccount of the Series 2026 Funded Interest Account in excess of the amount necessary to pay interest on the related Series 2026 Bonds remaining Outstanding following such redemption shall be released from such subaccount of the Series 2026 Funded Interest Account and applied by the Trustee as directed by the Borrower, which direction shall be accompanied by a Favorable Opinion of Bond Counsel.

(c) If on any Interest Payment Date the funds on deposit in the Interest Account are not sufficient to pay the Interest Payment on the related Series 2026 Bonds in full on such Interest Payment Date, the Trustee shall transfer moneys from the Principal Account for such related Series 2026 Bonds sufficient to make such payment. If on any Debt Service Payment Date there exists both (i) funds on deposit in the Interest Account for the related Series 2026 Bonds in excess of the amount necessary to pay the Interest Payment on such related Series 2026 Bonds due on such date, and (ii) insufficient funds on deposit in the Principal Account for such related Series 2026 Bonds to make the principal payment due on such date in full, the Trustee shall transfer all or such portion of such excess funds on deposit in the Interest Account to the Principal Account as necessary to provide for such principal payment in full.

(d) Moneys held in any Account of the Debt Service Fund following an acceleration of the Bonds upon an Event of Default shall be used as provided in Section 7.3 hereof and Section 4.11 of the Collateral Security Agreement.

Section 5.3 Series 2026A Rebate Fund; Costs of Issuance Fund; Energy Assets Project Fund. The Series 2026A Rebate Fund shall be for the sole benefit of the United States of America, shall be excluded from the Trust Estate as described in Section 2.1(b) hereof, and shall not be subject to the claim of any other Person, including without limitation, the Owners. The Series 2026A Rebate Fund is established for the purpose of complying with Section 148 of the Code and the Treasury Regulations promulgated pursuant thereto as further described in Section 6.5 hereof. There shall be deposited into the Series 2026A Rebate Fund all amounts transferred to such Fund pursuant to Section 4.3(b)(4) of the Collateral Security Agreement (which amounts shall satisfy the requirements of Section 4.02 of the Loan Agreement). The money deposited in the Series 2026A Rebate Fund, together with all investments thereof and investment income therefrom, shall be held in trust and applied solely as directed by the Borrower as provided in the Tax Agreement. The Series 2026A Rebate Fund is not a portion of the Trust Estate and is not subject to any lien under this Indenture. Notwithstanding the foregoing, the Trustee with respect to the Series 2026A Rebate Fund is afforded all the rights, protections and immunities otherwise accorded to it hereunder.

The moneys in each Account within the Costs of Issuance Fund shall be used and withdrawn by the Trustee to pay the Costs of Issuance upon receipt by the Trustee of a Requisition of the Borrower, in substantially the form attached hereto as Exhibit C, on which the Trustee is entitled to conclusively rely, stating the Person to whom payment is to be made, the amount to be paid, the purpose for which the obligation was incurred and that such payment is a proper charge against said Account. On the one hundred eightieth (180th) day following the Closing Date, or upon the earlier request of the Borrower, amounts, if any, remaining in each Account of the Costs of Issuance Fund shall be transferred to the applicable subaccount of the Series 2026 Funded Interest Account. The Issuer has no obligation hereunder or under the Act to deposit any funds (other than the proceeds of the Bonds as provided in Section 3.01 of the Loan Agreement or pursuant to a Supplemental Indenture or supplemental Loan Agreement as it relates to Additional Parity Bonds) into the Costs of Issuance Fund, or to apply any funds to the payment of the Costs of Issuance except the funds in the Costs of Issuance Fund or other funds specifically made available therefor by or on behalf of the Borrower.

The moneys in each Account within the Energy Assets Project Fund shall be used and withdrawn by the Trustee to pay the costs of making in-kind Energy Asset Improvements (as defined in the ERPA) upon receipt by the Trustee of a Requisition of the Borrower, in substantially the form attached hereto as Exhibit D, on which the Trustee is entitled to conclusively rely, stating the Person to whom payment is to be made, the amount to be paid, the purpose for which the obligation was incurred and that such payment is a proper charge against said Account. Upon the written direction of an Authorized Representative of the Borrower following completion of the Project, amounts, if any, remaining in each Account of the Energy Assets Project Fund shall be transferred to the Series 2026A Interest Subaccount. The Issuer has no obligation hereunder or under the Act to deposit any funds (other than the proceeds of the Bonds as provided in Section 3.01 of the Loan Agreement or pursuant to a Supplemental Indenture or supplemental Loan Agreement as it relates to Additional Parity Bonds) into the Energy Assets Project Fund, or to apply any funds to the payment making in-kind Energy Asset Improvements (as defined in the ERPA) except the funds in the Energy Assets Project Fund or other funds specifically made available therefor by or on behalf of the Borrower.

Section 5.4 Moneys to Be Held in Trust. The Debt Service Fund, and any other fund or account created hereunder (excluding the Series 2026A Rebate Fund, and any other fund or account specifically excluded from the Trust Estate pursuant to the terms of a Supplemental Indenture), shall be held by the Trustee, for the benefit of the Owners of the Bonds as specified in this Indenture. The Series 2026A Rebate Fund shall be held by the Trustee for the purpose of making payments to the United States pursuant to Section 6.5 hereof.

Section 5.5 Investment of Moneys.

(a) All moneys held as part of any fund or account established pursuant to this Indenture shall be deposited or invested and reinvested by the Trustee, at the written direction of the Borrower, in Permitted Investments, such direction to specify the particular investment to be made; *provided*, however, that moneys in any Defeasance Escrow Account may only be invested in Defeasance Securities.

(b) Earnings from the investment of moneys held in any fund or account established pursuant to this Indenture and losses from the investment of moneys held in any fund or account shall be charged against the fund or account in which they were realized.

(c) The Trustee shall sell and reduce to cash a sufficient amount of the investments held in any fund or account established pursuant to this Indenture whenever the cash balance therein is insufficient to make any payment to be made therefrom and the Trustee shall not be liable or responsible for any loss, liability, costs, fee, tax, or other charge resulting from such sale.

(d) The Trustee shall have no obligation to invest or reinvest the money if deposited with the Trustee after 11:00 a.m. (New York time) on such day of deposit. Instructions received after 11:00 a.m. (New York time) will be treated as if received on the following business day. The Trustee shall have no responsibility for any investment losses, fees, taxes or other charges resulting from the investment, reinvestment or liquidation of the funds. If a selection is not made and a written direction not given to the Trustee, the fund shall remain uninvested with no liability for interest therein. The Trustee may conclusively rely upon the Borrower's written instructions as to both the suitability and legality of the directed investments. It is agreed and understood that the entity serving as Trustee may earn fees associated with the investments outlined above in accordance with the terms of such investments. In no event shall the Trustee be deemed an investment manager or adviser in respect of any selection of investments hereunder. It is understood and agreed that the Trustee or its affiliates are permitted to receive additional compensation that could be deemed to be in the Trustee's economic self-interest for (1) serving as investment adviser, administrator, shareholder servicing agent, custodian or sub-custodian with respect to certain of the investments, (2) using affiliates to effect transactions in certain investments and (3) effecting transactions in investments.

(e) The Trustee shall have no liability whatsoever for any loss, fee, tax or other charge incurred in connection with any investment, reinvestment or liquidation of an investment hereunder.

(f) The Issuer acknowledges that regulations of the Comptroller of the Currency grant it the right to receive brokerage confirmations of the security transactions as they occur. The Issuer specifically waives such notification to the extent permitted by law and will receive periodic cash transaction statements that will detail all investment transactions.

Section 5.6 Additional Payments. The Trustee shall transfer the Additional Payments constituting the Annual Administrative Fee, promptly upon receipt thereof from the Collateral Agent from the Revenue Account pursuant to Section 4.3(b)(3) of the Collateral Security Agreement, to the Issuer.

ARTICLE VI.

COVENANTS OF THE ISSUER

Section 6.1 Punctual Payment. The Issuer shall punctually pay, solely from the Trust Estate, the principal and the interest and Redemption Price to become due in respect of every Bond issued hereunder at the times and places and in the manner provided herein and in the Bonds according to the true intent and meaning thereof. All such payments shall be made by the Trustee as provided in Section 2.1. The principal, Redemption Price, and interest on the Bonds are payable by the Issuer solely from the Trust Estate, and nothing in the Bonds or this Indenture should be considered as assigning or pledging any other funds or assets of the Issuer. All Bonds no longer Outstanding shall be delivered to the Trustee and shall forthwith be cancelled by the Trustee, who shall deliver a certificate evidencing such cancellation to the Borrower and the Issuer. The Trustee shall dispose of cancelled Bonds in accordance with its customary procedures.

Section 6.2 Extension of Payment of Bonds. In order to prevent any accumulation of claims for interest after maturity, except as permitted hereunder, the Issuer shall not, directly or indirectly, extend or assent to the extension of the time for the payment of any claim for interest on any of the Bonds, and shall not, directly or indirectly, be a party to or approve any such arrangement by purchasing or funding such claims or in any other manner. In case any such claim for interest shall be extended or funded, whether or not with the consent of the Issuer, such claim for interest so extended or funded shall not be entitled, in case of default hereunder, to the benefits of this Indenture, except subject to the prior payment in full of the principal of all of the Bonds then Outstanding and of all claims for interest which shall not have been so extended or funded. Nothing in this Section shall be deemed to limit the right of the Issuer to amend this Indenture in a manner consistent with Article IX hereof or to issue bonds for the purpose of refunding any Outstanding Bonds, and such issuance shall not be deemed to constitute an extension of maturity of Bonds.

Section 6.3 Preservation of Trust Estate and Loan Agreement. The Issuer shall not waive any provision of the Loan Agreement or take any action where such waiver or action would interfere with or impair the pledge, lien and security interest hereunder in the Trust Estate, the assignment to the Trustee of the Loan Agreement, or the Trustee's enforcement of any rights thereunder, without the prior written consent of the Trustee; provided, however, that nothing contained in this Indenture shall obligate the Issuer to take or to refrain from taking any action without receipt by the Issuer of reasonable security or indemnity against the costs, expenses and liabilities which may be incurred thereby. The Trustee may give such written consent, and may itself take any such action, or consent to any amendment, only in accordance with the provisions of Article IX.

Section 6.4 Compliance With Indenture. The Issuer shall not issue, or permit to be issued, any Bonds secured or payable in any manner by the Trust Estate in any manner other than in accordance with the provisions of this Indenture, and, where it has control over such matters, shall not suffer or permit any default to occur under this Indenture, but shall faithfully observe and perform all the covenants, conditions and requirements hereof.

Section 6.5 Tax Covenant.

(a) This Section 6.5 shall not apply to Taxable Bonds.

(b) The Issuer has in the Loan Agreement, caused the Borrower to covenant at all times to do and perform all acts and things permitted by law and the Tax Agreement which are necessary or desirable in order to assure that interest paid on the Bonds (or any of them) will be excluded from gross income for federal income tax purposes and shall take no action that would result in such interest not being so excluded. Without limiting the generality of the foregoing, the Issuer agrees to comply with its obligations under the Tax Agreement. The covenants of the Issuer in this Section 6.5(b) are made solely in reliance on the representations and covenants of the Borrower set forth in the Loan Agreement, the Tax Agreement and a default by the Borrower with respect thereto shall not be considered a default of the Issuer hereunder. The covenants of the Issuer in this Section 6.5(b) are limited to those actions within its control, and further limited to the extent that the costs and expenses of taking such actions are borne by the Borrower or a third party.

(c) Within the Series 2026A Rebate Fund, the Trustee shall maintain such accounts as shall be directed by the Borrower as necessary in order for the Issuer and the Borrower to comply with the terms and requirements of the Tax Agreement. Subject to the transfer provisions provided in paragraph (c) below, all money at any time deposited in the Series 2026A Rebate Fund shall be held by the Trustee in trust, to the extent required to satisfy the Rebate Requirement (as defined in the Tax Agreement), for payment to the United States of America, and none of the Borrower, the Issuer nor the Owners shall have any rights in or claim to such moneys. All amounts deposited into or on deposit in the Series 2026A Rebate Fund shall be governed by this Section 6.5, by Section 4.01(b)(vi) of the Loan Agreement and by the Tax Agreement. The Trustee shall conclusively be deemed to have complied with such provisions if it follows the directions of the Borrower, including supplying all necessary information requested by the Borrower and the Issuer in the manner set forth in the Tax Agreement, and shall not be required to take any actions thereunder in the absence of written directions from the Borrower.

(d) Upon receipt of the Borrower's written instructions contained in the certificate referred to in the last paragraph of Section 4.01 of the Loan Agreement, the Trustee shall remit part or all of the balances in the Series 2026A Rebate Fund to the United States of America, as so directed. In addition, if the Borrower so directs, the Trustee will deposit moneys into or transfer moneys out of the Series 2026A Rebate Fund from or into such accounts or funds as directed by the Borrower's written directions. Any funds remaining in the Series 2026A Rebate Fund after redemption and payment of all of the Bonds and payment and satisfaction of any Rebate Requirement and payment of all other amounts due and owing pursuant to Section 4.01(b)(vi) of the Loan Agreement shall be withdrawn and remitted to the Borrower upon its written request.

(e) Notwithstanding any provision of this Indenture, including in particular Article XI hereof, the obligation of the Borrower to pay the Rebate Requirement to the United States of America and to comply with all other requirements of this Section 6.5, Section 4.01(b)(vi) of the Loan Agreement and the Tax Agreement shall survive the defeasance or payment in full of the Bonds.

(f) Notwithstanding any provisions of this Section 6.5 and Section 4.01(b)(vi) of the Loan Agreement, if the Borrower shall provide to the Issuer and the Trustee an Opinion of Bond Counsel that any specified action required under this Section 6.5 or Section 4.01(b)(vi) of the Loan Agreement is no longer required or that some further or different action is required to maintain the tax-exempt status of interest on the Bonds, the Borrower, the Trustee and the Issuer may conclusively rely on such opinion in complying with the requirements of this Section; and the covenants hereunder shall be deemed to be modified to that extent.

Section 6.6 Encumbrance Upon Trust Estate. The Issuer shall not create, or permit the creation of, any pledge, lien, charge or other encumbrance upon the Trust Estate while any of the Bonds are Outstanding, except the pledge and assignment created by this Indenture. Subject to this limitation, the Issuer expressly reserves the right to enter into one or more other indentures for any of its purposes and reserves the right to issue other obligations for such purposes. Notwithstanding anything in this Section to the contrary, the Issuer is not prohibited from future assignments of agreements containing the Borrower's pledge of its full faith and credit.

Section 6.7 Further Assurances. Whenever and so often as requested so to do by the Trustee, if any, at the expense of the Borrower, the Issuer shall promptly execute and deliver or cause to be executed and delivered all such other and further instruments, documents or assurances reasonably necessary hereunder, and promptly do or cause to be done all such other and further things, as may be necessary or reasonably required in order to further and more fully vest in the Trustee, and the Owners all of the rights, interests, powers, benefits, privileges and advantages conferred or intended to be conferred upon them by this Indenture and to perfect and maintain as perfected such rights, interests, powers, benefits, privileges and advantages. Notwithstanding the preceding, the Issuer may obtain the advice and consent of Bond Counsel before executing or delivering any such further documents, instruments, or assurances.

Section 6.8 Power to Issue Bonds and Make Pledge and Assignment. The Issuer is duly authorized pursuant to law to issue the Bonds and to enter into this Indenture and to pledge and grant a lien on and a security interest in the Trust Estate in the manner and to the extent provided in this Indenture. The Issuer has duly authorized the execution and delivery of the Bonds and this Indenture under the terms and provisions of the Act and a resolution adopted by its governing board and further represents, covenants and warrants that all requirements have been met and procedures have occurred in order to ensure the enforceability against the Issuer of the Bonds and this Indenture. The Issuer has taken all necessary action and has complied with all provisions of the Act required to make the Bonds and this Indenture the valid, legal and binding limited obligations of the Issuer.

Section 6.9 Covenant as to Payment; Faith and Credit of State Not Pledged. The Issuer covenants that it will promptly pay or cause to be paid the principal of, interest, premium, if any, and other charges, if any, on the Bonds at the place, on the dates and in the manner provided in this Indenture and in the Bonds, provided, however, that the Bonds do not now and shall never constitute a general obligation of the Issuer or a debt or pledge of the faith and credit of the State,

and all covenants and undertakings by the Issuer under this Indenture, the Loan Agreement and under the Bonds to make payments are special obligations of the Issuer payable solely from the Trust Estate.

Section 6.10 Rights and Duties of the Issuer.

(a) Remedies of the Issuer. Notwithstanding any contrary provision in this Indenture or the Loan Agreement, the Issuer shall have the right to take any action not prohibited by law or make any decision not prohibited by law with respect to proceedings for indemnity against the liability of the Issuer and its officers, directors, employees and agents and for collection or reimbursement of moneys due to it under this Indenture or the Loan Agreement for its own account. The Issuer may enforce its rights under this Indenture and the Loan Agreement which have not been assigned to the Trustee by legal proceedings for the specific performance of any obligation contained herein or for the enforcement of any other legal or equitable remedy, and may recover damages caused by any breach by the Borrower of its obligations to the Issuer under the Loan Agreement, including any amounts required to be paid by the Borrower pursuant to the Loan Agreement, court costs, reasonable attorney's fees and other costs and expenses incurred in enforcing such obligations.

(b) Limitations on Actions. Without limiting the generality of Section 6.9, the Issuer shall not be required to monitor the financial condition of the Borrower or the Project and shall not have any responsibility or other obligation with respect to reports, notices, certificates or other documents filed with it under the Indenture or the Loan Agreement. Upon receipt of written notice, direction or instruction and indemnity, and after making such investigation, if any, as it deems appropriate to verify the occurrence of any event of which it is notified as aforesaid, the Issuer shall promptly pursue the remedy provided by the Loan Agreement or any of such remedies (not contrary to any such direction) as it deems appropriate for the protection of the Owners, and in its actions under this sentence, the Issuer shall act for the protection of the Owners with the same promptness and prudence as would be expected of a prudent person in the conduct of such person's own affairs.

(c) Responsibility. The Issuer shall be entitled to the advice of counsel (who may be counsel for any party) and shall not be liable for any action taken or omitted to be taken in good faith in reliance on such advice. The Issuer may rely conclusively on any communication or other document furnished to it under this Indenture or the Loan Agreement and reasonably believed by it to be genuine. The Issuer shall not be liable for any action (i) taken by it in good faith and reasonably believed by it to be within the discretion or powers conferred upon it, or (ii) in good faith omitted to be taken by it because reasonably believed to be beyond the discretion or powers conferred upon it, (iii) taken by it pursuant to any direction or instruction by which it is governed under this Indenture or the Loan Agreement or (iv) omitted to be taken by it by reason of the lack of direction or instruction required for such action, nor shall it be responsible for the consequences of any error of judgment reasonably made by it. It shall in no event be liable for the application or misapplication of funds, or for other acts or defaults by any person except its own directors, officers, agents and employees. When any consent or other action by the Issuer is called for by this Indenture or the Loan Agreement, the Issuer may defer such action pending such investigation or inquiry or receipt of such evidence, if any, as it may require in support thereof. It shall not be required to take any remedial action (other than the giving of notice) unless reasonable indemnity is provided for any expense or liability to be incurred thereby. It shall be entitled to reimbursement for expenses reasonably incurred or advances reasonably made, with interest at the "base rate" of the Trustee, as announced from time to time (or, if none, the nearest equivalent), plus 2% per annum, in the exercise of its rights or the performance of its obligations hereunder, to the extent that it acts without previously obtaining indemnity. No permissive right or power to act shall be construed as a requirement to act; and no delay in the exercise of any such right or power shall affect the subsequent exercise of that right or power. The Issuer shall not be required to take notice of any breach or default by the Borrower under this Indenture or the Loan Agreement except when given notice thereof by the Trustee. No recourse shall be had by the Borrower, the Trustee or any Owner for any claim based on this Indenture, the Loan Agreement, the Bonds or any agreement securing the same against any director, officer, agent or employee of the Issuer alleging personal liability on the part of such person unless such claim is based upon the willful dishonesty of or intentional violation of law by such person. No covenant, stipulation, obligation or agreement of the Issuer contained in this Indenture or the Loan Agreement shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future director, officer, employee or agent of the Issuer in his or her individual capacity, and no person executing a Bond shall be liable personally thereon or be subject to any personal liability or accountability by reason of the issuance thereof.

(d) Without limiting the generality of the foregoing, the Borrower acknowledges that in the event of an examination, inquiry or related action by the Internal Revenue Service with respect to the Series 2026A Bonds or the exclusion of interest thereon from the gross income of the holders thereof for federal income tax purposes, the Issuer may be treated as the responsible party, and the Borrower agrees to respond promptly and thoroughly to the satisfaction of the Issuer to such examination, inquiry or related action on behalf of and at the direction of the Issuer. The Borrower further agrees to pay all costs of counsel selected by the Issuer to represent the Issuer in connection with such examination, inquiry or related action. The Borrower shall indemnify and hold harmless the Issuer against any and all costs, losses, claims, penalties, damages or liability of or resulting from such examination, inquiry or related action by the Internal Revenue Service, including any settlement thereof by the Issuer. The Borrower agrees to promptly give the Issuer and applicable bond counsel copies of all relevant documents received from the Internal Revenue Service and otherwise cooperate and keep the Issuer and Bond Counsel apprised of the status with respect to such examination, inquiry or related action. The Issuer agrees to request that bond counsel promptly give the Borrower copies of all relevant documents received from the Internal Revenue Service and otherwise cooperate and keep the Borrower apprised of the status with respect to such examination, inquiry or related action.

(e) Financial Obligations. Nothing contained in this Indenture or the Loan Agreement is intended to impose any pecuniary liability on the Issuer nor shall it in any way obligate the Issuer to pay any debt or meet any financial obligations to any person at any time in relation to the Project except from moneys received under the provisions of this Indenture and the Loan Agreement; provided, however, that nothing contained in this Indenture or the Loan Agreement shall in any way obligate the Issuer to pay such debts or meet such financial obligations from moneys received from the Issuer's own account.

Section 6.11 Action by the Issuer.

(a) The Chair or Vice Chair, or, in the event of their absence, illness or other inability to act, any member of the Issuer whom the Chair or Vice Chair may designate, are authorized, unless otherwise directed by the Issuer, in the name of and on behalf of the Issuer, to take any action which is required by this Indenture or the Loan Agreement to be taken by the Issuer and to take any ministerial action which is authorized, but not required, thereby to be taken by the Issuer. An opinion of counsel to the Issuer that an action taken or to be taken pursuant to the preceding sentence is ministerial action shall be conclusive.

(b) In the event there is no Issuer or the Issuer lacks legal capacity to give consent or take other action under this Indenture or the Loan Agreement and no other entity exists with power to act in the place of the Issuer under applicable law, the Trustee shall act in the place of the Issuer subject to the provisions hereof and the Loan Agreement which would have been applicable to action by the Issuer and those which are applicable to the Trustee and its conduct.

ARTICLE VII.

DEFAULTS AND REMEDIES

Section 7.1 Events of Default. Any of the following shall constitute an "Event of Default" under this Indenture with respect to all of the Outstanding Bonds:

(a) Failure to pay any portion of the principal of any Outstanding Bond when due and payable;

(b) Failure to pay any portion of interest on any Outstanding Bond when due and payable;

(c) Failure by the Issuer to cure or cause the Borrower to cure any noncompliance with any other provision of this Indenture within 60 days after receiving written notice of such noncompliance from the Trustee or the Collateral Agent (with a copy to the Borrower and the Collateral Agent or the Trustee, as applicable) with respect to the Bonds; provided, however, that such noncompliance shall not be an Event of Default at the end of such sixty (60) day period, so long as: (i) the Issuer is proceeding diligently to cure such breach; and (ii) such breach, in any event, is cured within one hundred twenty (120) days of such written notification from the Trustee or the Collateral Agent; or

(d) A Loan Agreement Default shall have occurred and be continuing.

Section 7.2 Remedies Following and During the Continuance of an Event of Default.

(a) Upon the occurrence and during the continuance of an Event of Default, Owners of at least a majority in aggregate principal amount of the Outstanding Bonds or the Issuer may deliver to the Trustee a written notice, with a copy to the Issuer, the Collateral Agent and the Borrower, that an Event of Default has occurred and is continuing. The Trustee shall not be deemed to have any knowledge of the occurrence of an Event of

Default, except with respect to an Event of Default described in Section 7.1(a) or (b) hereof, unless and until it has received such a notice from the relevant party.

(b) At any time during which an Event of Default has occurred and is continuing commencing on the date of delivery to the Trustee of the notice described in Section 7.2(a) above (except with respect to an Event of Default described in Section 7.1(a) or (b) hereof in which no notice shall be required), the Majority Holders shall have the right to give the Trustee one or more enforcement directions directing the Trustee to take on behalf of the Owners of the Bonds, subject in all respects to the terms of the Collateral Security Agreement and Section 7.2(c) below, whatever action at law or in equity may appear necessary or desirable to enforce the rights of the Owners of the Bonds.

(c) Upon the occurrence and during the continuance of an Event of Default, if so instructed by the Majority Holders, the Trustee, subject to the immediately succeeding provisos and subject in all respects to the terms of the Collateral Security Agreement, shall, by notice delivered to the Issuer and the Borrower, declare all Bonds, all interest accrued and unpaid thereon, and all other amounts payable in respect of the Bonds to be due and payable, whereupon the same shall become immediately due and payable without presentment, demand, protest or further notice of any kind, all of which are waived by the Issuer; *provided* that the Bonds may be accelerated pursuant to this clause (c) only to the extent the underlying Series 2026 Loan under the Loan Agreement (or any other loan pursuant to any Additional Parity Bonds Loan Agreement) shall have been accelerated and in any event, subject in all respects to the terms of the Collateral Security Agreement.

(d) The Majority Holders may, by written notice to the Trustee, on behalf of all of the Owners, and subject in all respects to the terms of the Collateral Security Agreement, rescind any acceleration and its consequences, if the rescission would not conflict with any judgment or decree and if all existing Events of Default (except nonpayment of principal, interest or premium that has become due solely because of the acceleration) have been cured or waived and the Borrower has paid or deposited, or caused to be paid or deposited, with the Trustee a sum sufficient to pay all sums paid or advanced by the Trustee hereunder and the reasonable and documented compensation, expenses and disbursements of the Trustee, its agents and counsel. In case of any such rescission, then and in every such case the Issuer, the Trustee and the Owners shall be restored to their former positions and rights.

(e) All rights and actions and claims under this Indenture may be prosecuted and enforced by the Trustee on behalf of the Owners of the Bonds. In the case of pendency of any receivership, insolvency, liquidation, bankruptcy, reorganization or other similar judicial proceeding relative to the Trust Estate or the Issuer, the Trustee shall be entitled to file and prove a claim for the amount of the obligations to the Owners of the Bonds owing and unpaid and to file such other papers or documents as may be necessary in order to have the claims of the Owners allowed in such judicial proceeding and, to the extent permitted by law, to collect and receive any moneys or other property payable or deliverable on any such claims and to distribute the same in accordance with the terms hereof and of the Collateral Security Agreement.

Section 7.3 Use of Moneys Received From Exercise of Remedies. Subject in all respects to the terms of the Collateral Security Agreement, after an acceleration pursuant to Section 7.2(c) hereof, moneys received by the Trustee from the Collateral Agent pursuant to the Collateral Security Agreement, this Indenture and the other Security Documents in respect of the Issuer's obligations hereunder shall be applied first to pay the reasonable and proper fees and expenses (including the reasonable fees and expenses of counsel) of and indemnification payments owing to the Trustee pursuant to the Financing Documents, including those incurred in connection with the exercise of remedies following such Event of Default, and thereafter remaining amounts shall be applied promptly by the Trustee as follows:

First, ratably, to the payments then due and payable by the Borrower to the Series 2026A Rebate Fund and any rebate fund established by a Supplemental Indenture with respect to Additional Parity Bonds;

Second, ratably, to all accrued and unpaid interest on the Bonds;

Third, ratably, to the outstanding principal amount on the Bonds; and

Fourth, to the Borrower, upon termination, expiration or payment in full of all commitments, any surplus to be applied at the Borrower's discretion.

Section 7.4 Limitations on Rights of Owners Acting Individually. Subject in all respects to the terms of the Collateral Security Agreement, no Owner shall have any right to institute any suit, action or proceeding at law or in equity for the enforcement of any remedy hereunder or for the enforcement of the terms of this Indenture, unless an Event of Default under this Indenture has occurred and is continuing and the Owner has made a written request to the Trustee, and (i) has given the Trustee sixty (60) days to take such action in its capacity as Trustee, (ii) the Trustee shall have been provided reasonable security or indemnity against costs, expenses and liabilities to be incurred in connection with such action to be taken (including attorney's fees and expenses), (iii) the Trustee shall have refused or unreasonably neglected to comply with such request, and (iv) during such sixty (60) day period, no direction inconsistent with such written request shall have been delivered to the Trustee. Nothing in this Section shall affect or impair the right of the Owner to enforce the payment of the principal of and interest on or Redemption Price of any Bond at and after the date such payment is due, subject, however, to the limitations on remedies set forth in Section 7.2 hereof. In addition, any action by any Owner taken with respect to the Trust Estate, the Bonds or the Issuer shall only be taken in accordance with the provisions of Section 7.2 hereof.

Section 7.5 Trustee May Enforce Rights Without Bonds. All rights of action and claims under this Indenture or any of the Outstanding Bonds may be enforced by the Trustee without the possession of any of the Bonds or the production thereof in any trial or proceedings relative thereto; any suit or proceeding instituted by the Trustee shall be brought in its name as Trustee, without the necessity of joining as plaintiffs or defendants any Owners; and any recovery of judgment shall be for the ratable benefit of the Owners, subject to the provisions hereof and the Collateral Security Agreement.

Section 7.6 [Reserved].

Section 7.7 Delay or Omission No Waiver. No delay or omission of the Trustee or of any Owner to exercise any remedy, right or power accruing upon any Event of Default or otherwise shall exhaust or impair any such remedy, right or power or be construed to be a waiver of any such Event of Default, or acquiescence therein; and every remedy, right and power given by this Indenture may be exercised from time to time and as often as may be deemed expedient.

Section 7.8 Discontinuance of Proceedings on Event of Default; Position of Parties Restored. In case the Trustee or any Owner shall have proceeded to enforce any right under this Indenture and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Trustee or such Owner, then and in every such case the Issuer, the Trustee and the Owners shall be restored to their former positions and rights, and all rights, remedies and powers of the Trustee, the Issuer and the Owner shall continue as if no such proceedings had been taken.

Section 7.9 Waivers of Events of Default. Subject in all respects to the terms of the Collateral Security Agreement, the Trustee, notwithstanding anything else to the contrary contained in this Indenture, shall waive any Event of Default upon the written direction of the Majority Holders; *provided*, *however*, that any Event of Default in the payment of the principal of or interest on, or the Redemption Price of, any Bond when due shall not be waived (except as contemplated in Section 7.2(d) hereof) without the consent of the Owner of each Bond affected thereby, unless, prior to such waiver, all such amounts (with interest on amounts past due on any Bond at the interest rate on such Bond) and all expenses of and indemnity payments to the Trustee (with interest on amounts past due with respect to any expenses of the Trustee at a rate per year equal to the highest yield on any series of Outstanding Bonds) in connection with such Event of Default have been paid or provided for. In case of any such waiver, then and in every such case the Issuer, the Trustee and the Owners shall be restored to their former positions and rights hereunder, but no such waiver shall extend to any subsequent or other Event of Default, or impair any right consequent thereon.

ARTICLE VIII.

CONCERNING THE TRUSTEE

Section 8.1 Representations, Covenants and Warranties Regarding Execution, Delivery and Performance of Indenture. The Trustee represents, covenants and warrants that:

(a) The Trustee is a Tennessee trust company and is authorized, under its articles of association, action of its board of directors and applicable law, to accept the grant of the Trust Estate hereunder and to execute, deliver and perform its obligations under this Indenture.

(b) The execution, delivery and performance of this Indenture by the Trustee have been duly authorized by the Trustee.

(c) This Indenture is enforceable against the Trustee in accordance with its terms, limited only by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally and by equitable principles, whether considered at law or in equity.

(d) To its knowledge, the execution, delivery and performance of the terms of this Indenture by the Trustee do not and will not conflict with or result in a violation or a breach of any law or the terms, conditions or provisions of any restriction or any agreement or instrument to which the Trustee is now a party or by which the Trustee is bound, or constitute a default under any of the foregoing or, except as specifically provided in this Indenture, result in the creation or imposition of a lien or encumbrance whatsoever upon the Trust Estate or any of the property or assets of the Trustee.

(e) To its knowledge, there is no litigation or proceeding pending or threatened against the Trustee affecting the right of the Trustee to execute, deliver or perform its obligations under this Indenture.

Section 8.2 Duties of the Trustee. Argent Trust Company, a Tennessee trust company, is hereby appointed as Trustee. In addition to the other duties and responsibilities set forth herein, the Trustee (subject to the terms of the Collateral Security Agreement) for and on behalf of the Owners of the Bonds under the Collateral Security Agreement may enforce all rights of the Owners of the Bonds under and pursuant to the Collateral Security Agreement. The Trustee hereby accepts the duties imposed upon it by this Indenture and the other Financing Documents to which it is a party and agrees to perform said duties, but only upon and subject to the following express terms and conditions:

(a) The Trustee undertakes to perform such duties and only such duties as are specifically set forth in this Indenture and the other Financing Documents to which it is a party.

(b) The Trustee may execute any of the trusts or powers hereof and perform any of its duties by or through attorneys, agents, receivers or employees and shall not be responsible for the misconduct or negligence of any agent appointed with due care. Any reasonable expenses of hiring such agent shall be reimbursed by the Borrower, in accordance with the terms of the Loan Agreement, any Additional Parity Bonds Loan Agreements (if executed) and any agreement between the Borrower and the Trustee with respect thereto.

(c) The Trustee shall not be responsible for any recital herein, in the Bonds or in any of the Financing Documents to which it is a party, for the validity of the execution by the Issuer of this Indenture or any instruments of further assurance or for the sufficiency of the security for the Bonds issued hereunder or intended to be secured hereby, for the validity or perfection of the lien on the Trust Estate or for the value of the Trust Estate. The Trustee shall have no obligation to perform any of the duties of the Issuer under this Indenture; and the Trustee shall not be responsible or liable for any loss, fee, tax or other charge suffered in connection with any investment, reinvestment or liquidation of funds made by it pursuant to instructions from the Borrower in accordance with Section 5.5 hereof. For the avoidance of doubt, nothing herein shall require the Trustee to file financing statements or continuation statements, or be responsible for maintaining the

Liens purported to be created as described herein and such responsibility shall be solely that of the Borrower.

(d) The Trustee shall not be accountable for the use of any Bonds delivered to the Underwriter pursuant to this Indenture. The Trustee may become the Owner of the Bonds with the same rights which it would have if not Trustee.

(e) The Trustee shall be fully protected in acting upon any notice, request, consent, certificate, order, affidavit, letter, telegram or other paper or document which it in good faith reasonably believes to be genuine and correct and to have been signed or sent by the proper Person or Persons and the Trustee shall be under no duty to make any investigation as to any statement contained in any such document. Any action taken by the Trustee pursuant to (and as permitted by) this Indenture or the other Financing Documents to which it is a party upon the request or instruction or consent of any Person who at the time of making such request or giving such instruction or consent is the Owner of any Bond shall be conclusive and binding upon any Bonds issued in place thereof.

(f) The Trustee may employ or retain such counsel, accountants, appraisers or other experts or advisers as it may reasonably require for the purpose of determining and discharging its rights and duties hereunder and, in the absence of the Trustee's gross negligence or willful misconduct in employing or retaining any such counsel, accountants, appraisers, experts or advisors, may act and conclusively rely and shall be protected in acting and conclusively relying in good faith on the opinion or advice of or information obtained from any counsel, accountant, appraiser or other expert or advisor, whether retained or employed by the Borrower, the Issuer or by the Trustee, in relation to any matter arising in the administration hereof, and shall not be responsible for any act or omission on the part of any of them. In addition, the Trustee shall not be liable for any acts or omissions of its nominees, correspondents, designees, agents, subagents, attorneys or subcustodians appointed with due care.

(g) As to the existence or nonexistence of any fact or as to the sufficiency or validity of any instrument, paper or proceeding, the Trustee shall be entitled to conclusively rely upon a certificate signed by a Responsible Officer as sufficient evidence of the facts therein contained.

(h) The Trustee shall not be required to take notice or be deemed to have notice of any Event of Default hereunder or under any Financing Document to which it is a party, except failure to pay the principal of and interest on, or Redemption Price of, any Bond, unless the Trustee Representative shall have received the notice specified in Section 7.2(a) hereof. The Trustee shall give notice to the Issuer not later than five days after a failure to pay principal and interest on the Bonds on a scheduled payment date.

(i) All moneys received by the Trustee shall, until used or applied or invested as herein provided, be held in trust in the manner and for the purposes for which they were received and shall be segregated from all other funds held by the Trustee.

(j) The Trustee shall not be required to give any bond or surety in respect of the execution of the said trusts and powers or otherwise in respect of the premises.

(k) Notwithstanding anything to the contrary in this Indenture or any Financing Document to which the Trustee is a party, the Trustee shall have the right, but shall not be required, to reasonably request in respect of the delivery of any Bonds, the withdrawal of any cash, or any action whatsoever within the purview of this Indenture or any Financing Document to which it is a party, any showings, certificates, appraisals or other information, or corporate action or evidence thereof, in addition to that by the terms hereof required, as a condition of such action by the Trustee.

(l) The permissive right of the Trustee to do things enumerated hereunder or under other Financing Documents shall not be construed as a duty unless so specified herein or therein, and in doing or not doing so, the Trustee shall not be answerable for other than its own gross negligence or willful misconduct.

(m) Before taking any action or refraining from taking any action under this Indenture or any Financing Document to which it is a party, the Trustee may require that indemnity satisfactory to it be furnished for the reimbursement of all expenses to which it may be put and to protect it against all liability, including costs incurred in defending itself against any and all charges, claims, complaints, allegations, assertions, or demands of any nature whatsoever, except liability which is adjudicated to be a result of the Trustee's gross negligence or willful misconduct in connection with any such action.

(n) The Trustee shall have no responsibility with respect to any information, statement or recital in any official statement, offering memorandum or any other disclosure material prepared or distributed with respect to the Bonds.

(o) No provision of this Indenture, any Financing Document or any other documents related thereto shall require the Trustee to risk or expend its own funds or otherwise incur any financial liability in the performance of its duties and obligations hereunder or thereunder.

(p) In accordance with the terms hereof, the Trustee shall not be liable for any action taken or not taken by it in accordance with the direction of the Owners of a majority (or other percentage provided for herein) in aggregate principal amount of Bonds outstanding or of the Majority Holders relating to the exercise of any right or remedy available to it or the exercise of any trust or power available to the Trustee hereunder or under any other Financing Document.

(q) The rights, privileges, protections and immunities extended to the Trustee also extend to its directors, officers, employees, attorneys, and agents.

(r) The Trustee is authorized and directed to enter into the Financing Documents and any other documents related thereto to which the Trustee is a party. In entering into and performing any duties and obligations of the Trustee under the Financing Documents and any other documents related thereto, the Trustee shall be entitled to the provisions of this Indenture, including without limitation, the protections, immunities, limitations from liability and indemnification accorded to the Trustee under this Indenture.

(s) In no event shall the Trustee be responsible or liable for special, indirect, punitive or consequential loss or damage of any kind whatsoever (including, but not limited to, loss of profit) irrespective of whether the Trustee has been advised of the likelihood of such loss or damage and regardless of the form of action.

The Trustee shall not incur any liability for not performing any act or fulfilling any duty, obligation or responsibility hereunder by reason of any occurrence beyond the control of the Trustee including but not limited to any act or provision of any present or future law or regulation or governmental authority, strikes, work stoppages, accidents, any act of God or war, civil unrest, civil or military disturbances, natural disaster, epidemic, pandemic, recognized public emergency, quarantine restrictions, any act of terrorism, interruptions, loss or malfunctions of utilities, communications or computer (software and hardware) services, and hacking, cyber-attacks, or other use or infiltration of the Trustee's technological infrastructure exceeding authorized access or the unavailability of the Federal Reserve Bank wire or facsimile or other wire or communication facility, it being understood that the Trustee shall use reasonable best efforts that are consistent with accepted practices in the banking industry to resume performance as soon as practicable under the circumstances.

(t) Neither the Trustee nor the Collateral Agent are accountable for the use by the Issuer or the Borrower of the proceeds of the Bonds.

(u) The Trustee is not required to independently verify compliance with, nor is the Trustee liable, with respect to, any provisions of the Tax Agreement, including calculation with respect to arbitrage rebate.

Section 8.3 Co-Trustees.

(a) With the consent of the Borrower, the Trustee shall have power to appoint one or more Persons to act as co-trustee under this Indenture, with such powers as may be provided in the instrument of appointment, and to vest in such person or persons any property, title, right or power deemed necessary or desirable, subject to the remaining provisions of this Section.

(b) Each co-trustee shall, to the extent permitted by applicable law, be appointed subject to the following terms:

(i) The rights, powers, duties and obligations conferred or imposed upon any such trustee shall not be greater than those conferred or imposed upon the Trustee.

(ii) The Trustee may at any time, by an instrument in writing executed by it, accept the resignation of or remove any co-trustee appointed under this Section.

(iii) No co-trustee under this Indenture shall be liable by reason of any act or omission of any other co-trustee appointed under this Indenture.

Section 8.4 Compensation of Trustee. The Trustee shall be entitled to compensation in accordance with its agreement with the Borrower, which, notwithstanding any other provision hereof, may be amended at any time by agreement of the Borrower and the Trustee without the consent of or notice to the Owners. In no event shall the Trustee be obligated to advance its own funds in order to take any action hereunder.

Section 8.5 Resignation or Replacement of Trustee.

(a) The present or any future Trustee may resign by giving written notice to the Issuer and the Collateral Agent (with a copy to the Borrower) not less than 60 days before such resignation is to take effect. Such resignation shall take effect only upon the appointment of and acceptance by a successor qualified as provided in subsection (c) of this Section. If no successor is appointed within 60 days following the date designated in the notice for the Trustee's resignation to take effect, the resigning Trustee, at the expense of the Borrower, may petition a court of competent jurisdiction for the appointment of a successor. The present or any future Trustee may be removed at any time by (i) the Issuer at the direction of the Borrower, so long as no Event of Default has occurred and is continuing, or (ii) the Majority Holders with the consent of the Issuer and, so long as no Event of Default has occurred and is continuing, the Borrower, such consent not to be unreasonably withheld, by an instrument or concurrent instruments in writing signed by such Owners; provided, however, that in case such vacancy continues for at least thirty (30) days the Issuer, by an instrument signed by an Issuer Representative, or the Borrower, by certificate signed by a Responsible Officer of the Borrower, may appoint a temporary Trustee to fill such vacancy until a successor Trustee shall be appointed by the Owners in the manner provided above.

(b) In case the present or any future Trustee shall at any time resign or be removed or otherwise become incapable of acting, a successor may be appointed by the Issuer or Owners in the manner provided above.

(c) Every successor Trustee shall be a bank or trust company in good standing, qualified to do business in the State, duly authorized to exercise trust powers and subject to examination by federal or state authority, qualified to act hereunder and having a capital and surplus of not less than $50,000,000. Any successor Trustee appointed hereunder shall execute, acknowledge and deliver to the Issuer (with a copy to the Borrower and the Collateral Agent) an instrument accepting such appointment hereunder, and thereupon such successor shall, without any further act, deed or conveyance, become vested with all the estates, properties, rights, powers and trusts of its predecessor in the trust hereunder with like effect as if originally named as Trustee herein; but the Trustee retiring shall, nevertheless, on the written demand of the Issuer or its successor, and upon payment of all amounts owed to it hereunder, execute and deliver an instrument conveying and transferring to such successor, upon the trusts herein expressed, all the estates, properties, rights, powers and trusts of the predecessor, which shall duly assign, transfer and deliver to the successor all properties and moneys held by it under this Indenture. Should any instrument in writing from the Issuer be required by any successor for more fully and certainly vesting in and confirming to such successor the properties, rights, powers and duties hereby vested or intended to be vested in the predecessor, such instrument in writing shall, at the reasonable discretion of the Issuer, be made, executed, acknowledged and delivered by the Issuer on request of such successor.

(d) Every successor Trustee appointed hereunder shall execute, acknowledge and deliver to its predecessor, and also to the Issuer and the Borrower an instrument in writing accepting such appointment hereunder, and thereupon such successor, without any further act, deed or conveyance, shall become fully vested with all the estates, properties, rights, powers, trusts, duties and obligations of its predecessor; but such predecessor shall, nevertheless, on the written request of the Issuer, the Borrower or any respective successor thereof, execute and deliver an instrument transferring to such successor all the estates, properties, rights, powers and trusts of such predecessor hereunder; and every predecessor Trustee shall deliver all securities and moneys held by it as the Trustee hereunder to its successor. Should any instrument in writing from the Issuer be reasonably required by any successor Trustee for more fully and certainly vesting in such successor Trustee the Trust Estate, rights, powers and duties hereby vested or intended to be vested in the predecessor, any and all such instruments in writing shall, on request, be executed, acknowledged and delivered by the Issuer at the expense of the Borrower.

(e) The instruments evidencing the resignation or removal of the Trustee and the appointment of a successor hereunder, together with all other instruments provided for in this Section shall be filed and/or recorded by the successor Trustee in each recording office, if any, where this Indenture shall have been filed and/or recorded.

(f) The rights of the Trustee under this Article VIII shall survive the Trustee's resignation or removal.

Section 8.6 Conversion, Consolidation or Merger of Trustee. Any bank or trust company into which the Trustee or its successor may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer its trust business as a whole or substantially as a whole shall be the successor of the Trustee under this Indenture with the same rights, powers, duties and obligations and subject to the same restrictions, limitations and liabilities as its predecessor, all without the execution or filing of any papers or any further act on the part of any of the parties hereto or thereto, anything herein or therein to the contrary notwithstanding provided that so long as no Event of Default has occurred and is continuing, the Owners may appoint a successor trustee other than the entity into which the Trustee may be converted or merged in the manner provided above. In case any of the Bonds shall have been executed, but not delivered, any successor Trustee may adopt the signature of any predecessor Trustee, and deliver the same as executed; and, in case any of such Bonds shall not have been executed, any successor Trustee may execute such Bonds in the name of such successor Trustee.

Section 8.7 Intervention by Trustee. In any judicial proceeding to which the Issuer is a party relating to the Loan Agreement, the Security Documents or this Indenture and which in the reasonable opinion of the Trustee, the Collateral Agent and their respective counsel has a substantial bearing on the interests of the Owners, the Trustee or the Collateral Agent, as applicable, may, subject to the Collateral Security Agreement, intervene on behalf of the Owners. In addition, the Collateral Agent shall be entitled to the same protections, indemnification and

reimbursement for fees and expenses as set forth herein in connection with the Security Documents and all actions taken by or on behalf of the Collateral Agent pursuant to the Security Documents.

Section 8.8 Books and Records; Reports.

(a) The Trustee shall at all times keep, or cause to be kept, proper books of record and account in which complete and accurate entries shall be made of all transactions relating to the Bonds and all Funds and Accounts established pursuant to this Indenture. Such books of record and accounts shall be available for inspection by the Issuer, the Borrower, and the Owner or Owners of not less than fifteen percent (15%) of the principal amount of the Bonds then outstanding, or their agents or representatives duly authorized in writing, at reasonable hours and under reasonable circumstances and upon reasonable prior written request.

(b) The Trustee shall maintain records of all receipts, disbursements, and investments of funds with respect to the Funds and Accounts until the fifth anniversary of the date on which all of the Bonds shall have been paid in full.

(c) The Trustee hereby agrees to provide a monthly report to the Collateral Agent four Business Days prior to each Monthly Date setting forth, among other things, the balance for each Fund and Account, including any sub-accounts, established and created pursuant to this Indenture. The requirements of this Section shall be performed by the Trustee by granting the Collateral Agent on-line read only access to the Funds and Accounts.

Section 8.9 Notices, Etc. Subject to the provisions of Section 8.2(h) of this Indenture, the Trustee shall promptly deliver to the Issuer, the Borrower (other than with respect to any notices set forth in subclause (a) below), the Health System and the Collateral Agent:

(a) any notice provided to it by the Borrower under the terms of the Loan Agreement and Additional Parity Bonds Loan Agreement (if executed);

(b) written notice of the occurrence of any Event of Default under this Indenture (with a description of any action being taken or proposed to be taken with respect thereto), including any payment defaults under Section 7.1(a) or (b) hereof and any Loan Agreement Default; and

(c) written notice of any Lien placed on or claim against the Trust Estate (other than the Liens created under this Indenture) by the actual knowledge of, or receipt of written notice by, a Trustee Representative;

provided, however, that the notices referred to in subclause (a) above shall only be delivered (in each case) to the Issuer upon its written request.

The failure of the Trustee to deliver any notice required or permitted hereunder, or any defect therein, shall not impair, waive, or otherwise affect any right of the Trustee to take any action or to exercise any right or remedy available to it under this Indenture or the Loan Agreement, at law, or in equity, including the right to enforce any remedies hereunder or under the Loan Agreement.

ARTICLE IX.

SUPPLEMENTAL INDENTURES AND AMENDMENTS

Section 9.1 Supplemental Indentures and Amendments Not Requiring Consent of Owners. The Issuer and the Trustee may, without the consent of, or notice to, the Owners, but with the prior written consent of the Borrower and the Health System, enter into a Supplemental Indenture or otherwise amend this Indenture for any one or more or all of the following purposes:

(a) to provide for the issuance by the Issuer of the Additional Parity Bonds in accordance with Article XII hereof;

(b) to add additional covenants to the covenants and agreements of the Issuer set forth herein;

(c) to add additional revenues, properties or collateral to the Trust Estate;

(d) to cure any ambiguity, or to cure, correct or supplement any defect, mistake, error, omission or inconsistent provision contained herein;

(e) to amend any existing provision hereof or to add additional provisions which, in the opinion of Bond Counsel, are necessary or advisable (i) to qualify, or to preserve the qualification of, the interest on any Bonds for exclusion from gross income for federal income tax purposes; (ii) to qualify, or to preserve the qualification of, this Indenture or any Supplemental Indenture under the Trust Indenture Act; or (iii) to qualify, or preserve the qualification of, any Bonds for an exemption from registration or other limitations under the laws of any state or territory of the United States and under any federal law of the United States;

(f) to amend any provision hereof relating to the Series 2026A Rebate Fund or a rebate fund established pursuant to a Supplemental Indenture for the issuance of Additional Parity Bonds, if, in the opinion of Bond Counsel, such amendment does not adversely affect the excludability of the interest on the Bonds (other than Taxable Bonds) from gross income for federal income tax purposes;

(g) to provide for or eliminate book-entry registration of any of the Bonds;

(h) to obtain or maintain a rating (but not a particular rating level) of the Bonds by a Nationally Recognized Rating Agency;

(i) to facilitate the receipt of moneys;

(j) to establish additional funds, accounts or subaccounts necessary or useful in connection with the financing or refinancing of the Project;

(k) in connection with any other change which, in the judgment of the Trustee (who may for such purposes rely entirely upon a legal opinion with respect thereto of counsel selected by, or reasonably satisfactory to, the Trustee, which legal counsel may rely on a rating confirmation by any Nationally Recognized Rating Agency or a certificate of an investment banker or financial advisor with respect to financial matters and on a certificate from the Issuer or Borrower as to factual matters), does not materially adversely affect the rights of the Owners, including, without limitation, conforming this Indenture to the terms and provisions of any other Financing Document and, for the avoidance of doubt, the Trustee shall be fully indemnified by the Borrower in connection with any claim, demand, suit, action or proceedings whatsoever arising out of such action pursuant to Section 7.02 of the Loan Agreement; or

(l) to facilitate a Debt Assumption.

Section 9.2 Supplemental Indentures and Amendments Requiring Consent of Owners. The Issuer and the Trustee may enter into a Supplemental Indenture or otherwise amend this Indenture for the purpose of adding any provisions to, changing in any manner, eliminating or waiving any of the provisions of this Indenture relating to Bonds or any series of Bonds or modifying the rights of the Owners of Bonds or any series of Bonds in any way under this Indenture (other than as contemplated in Section 9.1 hereof) with the written consent of the Owners of a majority in the aggregate principal amount of the then Outstanding Bonds or of any series of Bonds affected by the proposed amendment or waiver and with the written consent of the Borrower and the Health System; provided, however, that no Supplemental Indenture modifying this Indenture in the way described below may be entered into without the written consent of the Owner of each Bond affected thereby:

(a) a reduction of the interest rate, principal of or interest on or Redemption Price payable on any Bond, a change in the maturity date of any Bond, a change in any Interest Payment Date for any Bond or a change in the redemption provisions applicable to any Bond (other than notice periods);

(b) the release or subordination of all or substantially all of the Trust Estate, collectively taken as a whole, from the Lien securing the Bonds, except as permitted by this Indenture;

(c) the release or subordination of the Project Revenues or the Accounts from the lien of the Collateral Security Agreement, except as permitted by the Collateral Security Agreement;

(d) the creation of a priority right in the Trust Estate of another Bond over the right of the affected Bond, except as permitted by this Indenture; or

(e) a reduction in the percentage of the aggregate Outstanding Bonds required for consent to any Supplemental Indenture or the parties whose consent is required.

Section 9.3 Conditions to Effectiveness of Supplemental Indentures and Amendments.

(a) No Supplemental Indenture shall be effective until (i) it has been executed by the Issuer and the Trustee and, when applicable, the Borrower and (ii) Bond Counsel (or in the case of clause (x) below, other counsel) has delivered a written opinion to the effect that the Supplemental Indenture (x) complies with the provisions of this Article and is otherwise in accordance with this Indenture and (y) will not adversely affect the excludability from gross income for federal income tax purposes of interest on any series of Outstanding Bonds other than Taxable Bonds.

(b) No Supplemental Indenture entered into pursuant to Section 9.2 hereof shall be effective until, in addition to the conditions set forth in subsection (a) of this Section, subject to the provisions of any Supplemental Indenture, Owners of the required percentage of the Bonds have consented to the Supplemental Indenture. It shall not be necessary for the consent of the Owners under Section 9.2 hereof to approve the particular form of any proposed Supplemental Indenture, but it is sufficient if such consent approves the substance thereof. A notice, prepared by the Issuer or the Borrower, that describes the nature of the Supplemental Indenture shall be sent to Owners (or delivered in accordance with the procedures of DTC) promptly after the effectiveness of such Supplemental Indenture. Any failure to send such notice, or any defect therein, will not, however, in any way impair or affect the validity of any such Supplemental Indenture.

Section 9.4 Consent of the Borrower. Anything herein to the contrary notwithstanding, a Supplemental Indenture under this Article shall not become effective unless and until the Borrower shall have consented to the execution and delivery of such Supplemental Indenture.

Section 9.5 Execution of Supplemental Indentures and Amendments by Trustee. Upon the request of the Borrower or the Issuer and upon delivery of evidence of the consent of the Owners, if required by Section 9.2 of this Indenture, the Trustee shall sign any Supplemental Indenture authorized pursuant to this Article; provided, however, that the Trustee shall not be obligated to sign any Supplemental Indenture pursuant to this Article if the amendment, supplement or waiver, in the judgment of the Trustee, could adversely affect the rights, duties, liabilities, protections, privileges, indemnities or immunities of the Trustee. In signing a Supplemental Indenture, the Trustee shall receive, and shall be fully protected in conclusively relying on, a Favorable Opinion of Bond Counsel with respect to such Supplemental Indenture.

ARTICLE X.

AMENDMENT OF AND CERTAIN ACTIONS UNDER LOAN AGREEMENT, SECURITY DOCUMENTS AND MATERIAL CONTRACTS

Section 10.1 Amendments to Loan Agreement Not Requiring Consent of Owners. Except with respect to any proposed amendment, modification or waiver affecting the Reserved Rights, the Issuer hereby delegates and assigns its right to amend, modify or waive any provision of the Loan Agreement (or any Additional Parity Bonds Loan Agreement) to the Trustee. The

Issuer (in the case of any amendment, modification or waiver affecting the Reserved Rights) and the Trustee (in the case of any other amendment, modification or waiver) may (i) upon receipt of a Favorable Opinion of Bond Counsel with respect to the proposed amendment, modification or waiver and (ii) upon the receipt of the written consent of the Borrower and the Health System, consent to any amendment, modification or waiver of the Loan Agreement (or any Additional Parity Bonds Loan Agreement), without the consent of, or notice to, the Owners, for any one or more or all of the following purposes:

(a) to provide for the loan by the Issuer to the Borrower of the proceeds of Additional Parity Bonds issued in accordance with Article XII hereof;

(b) to add additional covenants to the covenants and agreements of the Borrower set forth therein;

(c) to cure any ambiguity, or to cure, correct or supplement any defect, mistake, error, omission or inconsistent provision contained therein;

(d) to amend any existing provision thereof or to add additional provisions which, in the opinion of Bond Counsel, are necessary or advisable (i) to qualify, or to preserve the qualification of, the interest on any Bonds for exclusion from gross income for federal income tax purposes or (ii) to qualify, or preserve the qualification of, any Bonds for an exemption from registration or other limitations under the laws of any state or territory of the United States;

(e) to facilitate the receipt of moneys;

(f) to establish additional funds, accounts or subaccounts necessary or useful in connection with the financing or refinancing of the Project;

(g) in connection with any other change which, in the judgment of the Trustee (who may for such purposes conclusively rely entirely upon a legal opinion with respect thereto of counsel selected by, or reasonably satisfactory to, the Trustee, which legal counsel may rely on a rating confirmation by any Nationally Recognized Rating Agency or a certificate of an investment banker or financial advisor with respect to financial matters and on a certificate from the Issuer or Borrower as to factual matters), does not materially adversely affect the rights of the Owners, including, without limitation, conforming the Loan Agreement (or any Additional Parity Bonds Loan Agreement) to the terms and provisions of any other Financing Document; or

(h) to facilitate a Debt Assumption.

Section 10.2 Amendments to Loan Agreement Requiring Consent of Owners. Except for the amendments, modifications or waivers as provided in Section 10.1 hereof, the Issuer (in the case of any amendment affecting the Reserved Rights) and the Trustee (in the case of any other amendment, modification or waiver) may consent to any other amendment, modification or waiver of the Loan Agreement (or any Additional Parity Bonds Loan Agreement) relating to the Bonds or any series of Bonds, with the prior written consent of the Owners of a majority in the aggregate principal amount of the then Outstanding Bonds or of any series of Bonds affected by the proposed amendment or waiver and with the written consent of the Borrower and the Health System; provided, however, that no amendment, modification or waiver of the Loan Agreement (or any Additional Parity Bonds Loan Agreement) may be entered into in respect of the matters contemplated below unless the prior written consent of the Owner of each Bond affected thereby and the Borrower has been obtained:

(a) a reduction of the interest rate, principal of or interest on the Series 2026 Loan or any other loan made pursuant to any Additional Parity Bonds Loan Agreement, a change in the maturity date of the Series 2026 Loan or any other loan made pursuant to any Additional Parity Bonds Loan Agreement, a change in the Interest Payment Date for the Series 2026 Loan or any other loan made pursuant to any Additional Parity Bonds Loan Agreement or a change in the prepayment provisions applicable to the Series 2026 Loan or any other loan made pursuant to any Additional Parity Bonds Loan Agreement;

(b) the release or subordination of all or substantially all of the Trust Estate, collectively taken as a whole, from the Lien securing the Bonds, except as permitted by this Indenture; or

(c) the release or subordination of the Project Revenues or the Accounts from the lien of the Collateral Security Agreement, except as permitted by the Collateral Security Agreement;

The parties hereto acknowledge and agree that the Security Documents may be amended, waived or otherwise modified (including, without limitation, with respect to the release, sharing or subordination of the Trust Estate) in accordance with the terms of the applicable Security Document, and the Trustee is hereby authorized and directed to enter into any such amendment, waiver or modification in accordance with the terms thereof.

The Trustee shall upon being reasonably satisfactorily indemnified with respect to expenses, cause notice of such proposed amendment, modification or waiver to be given in the same manner as provided by Section 9.3 hereof with respect to Supplemental Indentures; provided, that prior to the delivery of such notice or request, the Trustee shall receive a Favorable Opinion of Bond Counsel with respect to such amendment, modification or waiver. Such notice shall be prepared by the Borrower and shall briefly set forth the nature of such proposed amendment, modification or waiver and shall state that copies of the instrument embodying the same are on file at the Designated Payment Office of the Trustee for inspection by all Owners.

Section 10.3 Actions of Trustee Requiring Owner Consent Pursuant to the Loan Agreement or any Additional Parity Bonds Loan Agreement. In the event that the Loan Agreement or any Additional Parity Bonds Loan Agreement (if executed) requires certain actions by the Trustee at the written direction of a designated portion of the Owners of the applicable Bonds, the Trustee hereby agrees as follows:

(a) if the Borrower requests consent of the Trustee to be provided at the direction of a designated portion of the Owners of the applicable Bonds, the Trustee shall, upon notice of the same from the Borrower and upon being satisfactorily indemnified with respect to expenses, cause notice of such requested consent or action to be given in the same manner as provided by Section 9.3 hereof with respect to Supplemental Indentures; *provided*, that prior to the delivery of such notice or request, the Trustee may require that a Favorable Opinion of Bond Counsel be furnished with respect to such consent or action. Such notice shall briefly set forth the nature of such requested consent or action and shall state that any copies of such request from the Borrower are on file at the Designated Payment Office of the Trustee for inspection by all Owners; and/or

(b) upon direction from Owners of not less than the required percentage in aggregate principal amount of the Outstanding Bonds, the Trustee shall, upon being satisfactorily indemnified with respect to expenses, take any such directed action in accordance with the Loan Agreement or any Additional Parity Bonds Loan Agreement (if executed); provided, that prior to the delivery of such notice or request, the Trustee may require that a Favorable Opinion of Bond Counsel be furnished with respect to such consent or action.

Section 10.4 Amendment of Security Documents and Material Contracts. The Trustee shall consent to the amendment of the Material Contracts undertaken in accordance with Section 6.25 of the Loan Agreement. The Trustee shall not consent to the amendment of the Security Documents in accordance with Section 10.2 hereof without the prior written consent of the Majority Holders.

ARTICLE XI.

DEFEASANCE

Section 11.1 Discharge of Indenture. If 100% of the principal of and interest on and Redemption Price due, or to become due, on all the Bonds, the fees and expenses due to the Trustee and all other amounts payable hereunder have been paid, or provision shall have been made for the payment thereof in accordance with Section 11.2 hereof and the opinion of Bond Counsel required by Section 11.3 hereof has been delivered, then, (a) the right, title and interest of the Trustee in and to the Trust Estate shall terminate and be discharged (referred to herein as the "discharge" of this Indenture); (b) the Trustee shall transfer and convey to or to the order of the Issuer all property that was part of the Trust Estate, including but not limited to any moneys held in any fund or account hereunder, except any Defeasance Escrow Account created pursuant to Section 11.2 hereof (which Defeasance Escrow Account shall continue to be held in accordance with the agreement governing the administration thereof, subject to Section 4.10 hereof, and consistent with Section 4.10 hereof, subject to any applicable abandoned property law, the Trustee shall pay the Borrower upon written request any money held by it for the payment of principal or interest with respect to the Redemption Price that remains unclaimed for three (3) years, (or, if shorter, one day before such moneys would escheat to the applicable state under then applicable abandoned property law), and thereafter, the Owners entitled to such Redemption Price must look to the Borrower for payment); and (c) the Trustee shall execute any instrument requested by the Issuer to evidence such discharge, transfer and conveyance.

Section 11.2 Defeasance of Bonds.

(a) All or any portion of the Outstanding Bonds shall be deemed to have been paid (referred to herein as "defeased") prior to their maturity or redemption if:

(i) if the defeased Bonds are to be redeemed prior to their maturity, the Issuer has given notice or irrevocably instructed the Trustee to give notice of redemption of such Bonds in accordance with this Indenture;

(ii) there has been deposited in trust in a Defeasance Escrow Account either moneys in an amount which shall be sufficient, or Defeasance Securities, the principal of and the interest on which when due, and without any reinvestment thereof, will provide moneys which, together with the moneys, if any, deposited into or held in the Defeasance Escrow Account, shall be sufficient to pay when due the principal of and interest on or Redemption Price, as applicable, due and to become due on the defeased Bonds on and prior to the redemption date or maturity date thereof, as the case may be;

(iii) a verification agent, not unacceptable to the Issuer and the Trustee, has delivered a verification report verifying the sufficiency of the deposit described in paragraph (ii) of this subsection; and

(iv) the opinion of Bond Counsel required by Section 11.3 hereof has been delivered.

(b) The Defeasance Securities and moneys deposited in a Defeasance Escrow Account pursuant to this Section and the principal and interest payments on such Defeasance Securities shall not be withdrawn or used for any purpose other than, and shall be held in trust solely for, the payment of the principal of and interest on and Redemption Price of the defeased Bonds; *provided*, however, that (i) any moneys received from principal and interest payments on such Defeasance Securities that are not required to pay the principal of and interest on or Redemption Price of the defeased Bonds on the date of receipt shall, to the extent practicable, be reinvested in Defeasance Securities maturing at the times and in amounts sufficient to pay when due the principal of and interest on and Redemption Price to become due on the defeased Bonds on or prior to the redemption date or maturity date thereof, as the case may be; and (ii) any moneys or Defeasance Securities may be withdrawn from a Defeasance Escrow Account if (A) the moneys and Defeasance Securities that are on deposit in the Defeasance Escrow Account, including any moneys or Defeasance Securities that are substituted for the moneys or Defeasance Securities that are withdrawn from the Defeasance Escrow Account, satisfy the conditions stated in subsection (a)(ii) of this Section and (B) a verification report and Bond Counsel opinion are delivered that comply with subsections (a)(iii) and (a)(iv) of this Section.

Section 11.3 Opinion of Bond Counsel. Prior to any discharge of this Indenture pursuant to Section 11.1 hereof or the defeasance of any Bonds pursuant to Section 11.2 hereof, Bond Counsel (or, with respect to the opinion in clause (i) below, other nationally reputable counsel) must have delivered to the Issuer and the Trustee a written opinion to the effect that (i) all requirements of this Indenture for such discharge or defeasance have been complied with and (ii) such discharge or defeasance will not adversely affect the tax-exempt status of interest on the Bonds of any series (other than Taxable Bonds).

Section 11.4 Defeasance of Less Than All Bonds. If less than all of the Bonds, any particular maturity or any Bonds with a particular interest rate within a maturity are defeased, the

Trustee shall institute a system to preserve the identity of the individual Bonds or portions thereof that are defeased, regardless of changes in Bond numbers attributable to transfers and exchanges of Bonds.

ARTICLE XII.

ADDITIONAL PARITY BONDS

Section 12.1 Authorization for Additional Parity Bonds. Subject to the restrictions set forth in this Article and the Collateral Security Agreement and upon request by the Borrower, the Issuer may issue Additional Parity Bonds, which shall be ratably and equally secured by the Trust Estate, upon execution of a Supplemental Indenture without consent of the Owners of the Bonds pursuant to Section 9.1 hereof. Except to the extent inconsistent with the express terms of the Additional Parity Bonds issued and the related Supplemental Indenture executed pursuant to this Article XII, all of the provisions, terms, covenants and conditions of this Indenture shall be applicable to any Additional Parity Bonds issued hereunder.

Section 12.2 Additional Parity Bonds. Such Additional Parity Bonds may be issued in one or more series from time to time only if all requirements for the Borrower to issue or incur Additional Senior Secured Indebtedness set forth in the Financing Documents shall have been satisfied.

ARTICLE XIII.

MISCELLANEOUS

Section 13.1 Table of Contents, Titles and Headings. The table of contents, titles and headings of the Articles and Sections of this Indenture have been inserted for convenience of reference only, are not to be considered a part hereof, shall not in any way modify or restrict any of the terms or provisions hereof and shall never be considered or given any effect in construing this Indenture or any provision hereof or in ascertaining intent, if any question of intent should arise.

Section 13.2 Inapplicability of Trust Indenture Act. No provisions of the Trust Indenture Act are incorporated by reference in or made a part of this Indenture.

Section 13.3 Interpretation and Construction. This Indenture and all terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein to sustain the validity of this Indenture. For purposes of this Indenture, except as otherwise expressly provided or unless the context otherwise requires:

(a) All references in this Indenture to designated “Articles,” “Sections,” “subsections,” “paragraphs,” “clauses” and other subdivisions are to the designated Articles, Sections, subsections, paragraphs, clauses and other subdivisions of this Indenture. The words “herein,” “hereof,” “hereto,” “hereby,” “hereunder” and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or other subdivision. If this Indenture has been amended, then such words shall refer to this Indenture as so amended.

(b) The terms defined in Article I hereof have the meanings assigned to them in that Article or in the applicable documents referenced thereby and include the plural as well as the singular.

(c) All accounting terms not otherwise defined herein have the meanings assigned to them in accordance with GAAP as in effect from time to time.

(d) The term "money" includes any cash, check, deposit, investment security or other form in which any of the foregoing are held hereunder.

(e) In the computation of a period of time from a specified date to a later specified date, the word "from" means "from and including" and each of the words "to" and "until" means "to but excluding."

(f) All references to any contract or agreement in this Indenture or in Section 1.1 hereof shall include all amendments, supplements and modifications thereto.

(g) This Indenture and all terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein to sustain the validity of this Indenture.

Section 13.4 Further Assurances and Corrective Instruments. The Issuer and the Trustee agree that so long as this Indenture is in full force and effect, the Issuer and the Trustee shall have full power to carry out the acts and agreements provided herein and they will from time to time, execute, acknowledge and deliver or cause to be executed, acknowledged and delivered such supplements hereto and such further instruments as may be required for correcting any inadequate or incorrect description of the Trust Estate, or for otherwise carrying out the intention of or facilitating the performance of this Indenture.

Section 13.5 Evidence of Signature of Owners and Ownership of Bonds.

(a) Any request, consent or other instrument which this Indenture may require or permit to be signed and executed by Owners may be in one or more instruments of similar tenor, and shall be signed or executed by such Owners in person or by their attorneys or other representatives appointed in writing, and proof of the execution of any such instrument or of an instrument appointing any such attorney, or the ownership of Bonds, shall be sufficient (except as otherwise herein expressly provided) if made in the following manner, but the Trustee may, nevertheless, in its discretion require further or other proof in cases where it deems the same desirable:

(i) the fact and date of the execution by any Owner or his attorney of such instrument may be proved by the certificate of any officer authorized to take acknowledgments in the jurisdiction in which he purports to act that the person signing such request or other instrument acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before a notary public; and

(ii) the fact of the ownership by any person of Bonds and the amounts, numbers and date of ownership of such Bonds may be proved by the registration records of the Trustee.

(b) Any request or consent of the Owner of any Bond shall bind all transferees of such Bond in respect of anything done or suffered to be done by the Issuer or the Trustee in accordance therewith.

Bonds owned or held by or for the account of the Issuer or the Borrower shall not be deemed Outstanding for the purpose of any consent to be provided by the Owners of the Bonds pursuant to this Indenture. At the time of any such calculation, the Issuer and the Borrower shall furnish the Trustee certificates, upon which the Trustee may conclusively rely, describing any Bonds required so to be excluded.

Section 13.6 Authorization of Officers and Employees. The officers and employees of the Issuer are hereby authorized and directed to take all actions that are necessary, convenient and in conformity with the Constitution and other laws of the State, federal law and this Indenture, to carry out the provisions of this Indenture.

Section 13.7 Parties Interested Herein.

(a) Except as otherwise expressly provided in this Indenture, this Indenture shall be for the sole and exclusive benefit of the Issuer, the Trustee and the Owners, and their respective successors and assigns. Nothing in this Indenture expressed or implied is intended or shall be construed to confer upon, or to give to, any Person other than the Issuer, the Trustee or the Owners, any right, remedy or claim, legal or equitable, under or by reason of this Indenture or any terms hereof. To the extent that this Indenture confers upon or gives or grants to the Borrower, the Health System or the Collateral Agent any right, remedy or claim under or by reason of this Indenture, each of the Borrower, the Health System and the Collateral Agent is hereby explicitly recognized as being a third-party beneficiary hereunder and may enforce any such right, remedy or claim conferred, given or granted hereunder.

(b) Argent Trust Company is hereby appointed by the Issuer as collateral agent for the benefit of the Secured Parties with respect to the Liens in the Collateral and the rights and remedies granted pursuant to the Security Documents.

Section 13.8 Issuer and Trustee Representatives. Whenever under the provisions hereof or of any Supplemental Indenture the approval of the Issuer or the Trustee is required, or the Issuer or the Trustee is required to take some action at the request of the other, unless otherwise provided, such approval or such request shall be given for the Issuer by an Issuer Representative and for the Trustee by a Trustee Representative, and the Issuer and the Trustee shall be authorized to act on any such approval or request.

Section 13.9 Reporting Between the Trustee and Collateral Agent. Any reports or notices required to be given hereunder or pursuant to any Supplemental Indenture from the Trustee to the Collateral Agent, shall be deemed delivered to the Collateral Agent without any further action on the part of the Trustee, as long as the Trustee and the Collateral Agent are the same entity.

Section 13.10 Manner of Giving Notices. Unless otherwise expressly provided herein, all notices, certificates or other communications provided for herein or under any Supplemental

Indenture shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by telecopy or email, as follows:

Issuer:	Rhode Island Health and Educational Building Corporation 33 Broad Street, Suite 200 Providence, Rhode Island 02903 Attention: Executive Director Email:
Trustee:	Argent Trust Company 4224 Bluebonnet Blvd, Suite A Baton Rouge, LA 70809 Attention: John C. Shiroda Telephone: 225-416-6261 Email: jshiroda@argentfinancial.com
Borrower:	Madrone – South County Hospital EaaS I, LLC c/o Madrone Health Foundation 2081 Center Street Berkeley, California 94704 Attention: President Email: notice@madrone.org
Health System:	South County Hospital Healthcare System 100 Kenyon Avenue Wakefield, Rhode Island 02879 Attention: President and CEO and General Counsel

Any party hereto may change its address or telecopy number for notices and other communications hereunder by notice to the other parties hereto. All notices or other communications required or permitted to be given pursuant to this Indenture shall be in writing and, if given in accordance with this Section, unless otherwise expressly provided herein, shall be deemed to have been duly given or made when delivered by hand or, in the case of notice given by mail, private courier, overnight delivery service, international shipping service, electronically or facsimile.

Facsimile, documents executed, scanned and transmitted electronically and electronic signatures, including those created or transmitted through a software platform or application, shall be deemed original signatures for purposes of this Indenture and all other related documents and all matters and agreements related thereto, with such facsimile, scanned and electronic signatures having the same legal effect as original signatures. The parties agree that this Indenture or any other related document or any instrument, agreement or document necessary for the consummation of the transactions contemplated by this Indenture or the other related documents or related hereto or thereto (including, without limitation, addendums, amendments, notices, instructions, communications with respect to the delivery of securities or the wire transfer of funds or other communications) ("Executed Documentation") may be accepted, executed or agreed to through the use of an electronic signature in accordance with applicable laws, rules and regulations in effect from time to time applicable to the effectiveness and enforceability of electronic signatures. Any

Executed Documentation accepted, executed or agreed to in conformity with such laws, rules and regulations will be binding on all parties hereto to the same extent as if it were physically executed and each party hereby consents to the use of any third-party electronic signature capture service providers as may be reasonably chosen by a signatory hereto or thereto. When the Trustee acts on any Executed Documentation sent by electronic transmission, the Trustee will not be responsible or liable for any losses, costs or expenses arising directly or indirectly from its reliance upon and compliance with such Executed Documentation, notwithstanding that such Executed Documentation (a) may not be an authorized or authentic communication of the party involved or in the form such party sent or intended to send (whether due to fraud, distortion or otherwise) or (b) may conflict with, or be inconsistent with, a subsequent written instruction or communication; it being understood and agreed that the Trustee shall conclusively presume that Executed Documentation that purports to have been sent by an authorized officer of a Person has been sent by an authorized officer of such Person. The party providing Executed Documentation through electronic transmission or otherwise with electronic signatures agrees to assume all risks arising out of such electronic methods, including, without limitation, the risk of the Trustee acting on unauthorized instructions and the risk of interception and misuse by third parties.

Section 13.11 Notices to Rating Agencies. If additional property, revenues or funds are granted, assigned or pledged as and for additional security hereunder pursuant to Section 2.1(d) hereof, the Trustee shall (if so directed by the Borrower) notify each Nationally Recognized Rating Agency then maintaining a rating on the Bonds, if any, in writing of such grant, assignment or pledge and the nature of such additional security. The Trustee makes this covenant as a matter of courtesy and accommodation only and shall not be liable to any Person for any failure to comply therewith.

Section 13.12 No Recourse; No Individual Liability. No recourse shall be had for the payment of, Redemption Price, or interest on any of the Bonds or for any claim based thereon or upon any obligation, covenant or agreement in this Indenture contained, against any past, present or future officer, director, member, trustee, employee or agent of the Issuer or any officer, director, member, trustee, employee or agent or any successor entity, as such, either directly or through the Issuer or any successor entity, under any rule of law or equity, statute or constitution or by enforcement by any assessment or penalty or otherwise. The members of the Issuer, the officers and employees of the Issuer, or any other agents of the Issuer are not subject to personal liability or accountability by reason of any action authorized by the Act, including without limitation, the issuance of bonds, the failure to issue bonds, the execution of bonds and the making of guarantees. All covenants, stipulations, promises, agreements and obligations of the Issuer or the Trustee, as the case may be, contained herein, in any Supplemental Indenture or in the Bonds shall be deemed to be the covenants, stipulations, promises, agreements and obligations of the Issuer or the Trustee, as the case may be, and not of any member, director, officer, employee, servant or other agent of the Issuer or the Trustee in his or her individual capacity, and no recourse shall be had on account of any such covenant, stipulation, promise, agreement or obligation, or for any claim based thereon or hereunder, against any member, director, officer, employee, servant or other agent of the Issuer or the Trustee or any natural person executing this Indenture, any Supplemental Indenture, the Bonds or any related document or instrument.

Section 13.13 Events Occurring on Days That Are Not Business Days. If the date for making any payment or the last day for performance of any act, delivery of any document or the exercising of any right under this Indenture or the Bonds is a day that is not a Business Day, such payment may be made, such act may be performed, such document may be delivered or such right may be exercised on the next succeeding Business Day, with the same force and effect as if done on the nominal date provided in such instrument.

Section 13.14 Severability. Whenever possible, each provision of this Indenture shall be interpreted in such a manner as to be effective and valid under applicable law, but if any provision of this Indenture, other than the grant of the Trust Estate to the Trustee, shall be prohibited by or invalid under applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provisions or the remaining provisions of this Indenture.

Section 13.15 Choice of Law and Venue; Sealed Instrument. This Indenture and the Bonds are contracts made under the laws of the State and shall be governed by and construed in accordance with the Constitution and laws applicable to contracts made and performed in the State. This Indenture and the Bonds shall be enforceable in the State, and any action arising out of this Indenture or the Bonds shall be filed and maintained in the Superior Court of the State of Rhode Island sitting in and for Providence County, unless the Issuer waives this requirement. It is intended that this Indenture shall have the effect of a sealed instrument.

Section 13.16 Execution in Counterparts. This Indenture may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument and any of the parties hereto may execute this Indenture by signing any such counterpart. The exchange of copies of this Indenture and of signature pages by facsimile or PDF transmission shall constitute effective execution and delivery of this Indenture as to the parties hereto and may be used in lieu of the original Indenture and signature pages for all purposes.

Section 13.17 Validity of Bonds. The validity of the authorization and issuance of the Bonds is not dependent on and shall not be affected in any way by any proceedings taken by the Issuer or the Trustee with respect to or in connection with this Indenture or the Loan Agreement. The recital contained in the Bonds that the same are issued pursuant to the Act and laws of the State shall be conclusive evidence of their validity and of compliance with the provisions of law in their issuance.

Section 13.18 U.S.A. PATRIOT Act. In order to comply with the laws, rules, regulations and executive orders in effect from time to time applicable to banking institutions, including without limitation those related to the funding of terrorist activities and money laundering, including Section 326 of the USA PATRIOT Act of the United States (“Applicable Law”), the Trustee is required to obtain, verify, record and update certain information relating to individuals and entities which maintain a business relationship with the Trustee. Accordingly, each of the parties agree to provide to the Trustee, upon their request from time to time such identifying information and documentation as may be available for such party in order to enable the Trustee to comply with Applicable Law.

Section 13.19 Waiver of Jury Trial. EACH OF THE ISSUER, THE BOND OWNERS AND THE TRUSTEE HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS INDENTURE, THE BONDS OR THE TRANSACTION CONTEMPLATED HEREBY.

Section 13.20 Debt Assumption. If the Health System exercises a Debt Assumption Option, the Health System shall give written notice of the exercise of such option and the Debt Assumption Date to the Issuer, the Trustee, the Borrower and the Collateral Agent promptly after exercise of such option. A Debt Assumption shall be subject to satisfaction of the following conditions on the Debt Assumption Date:

(a) The Borrower shall assign to the Health System, and the Health System shall assume, all of the Borrower’s rights, duties and obligations under the Loan Agreement;

(b) The Trustee, as assignee of the Issuer and pursuant to Section 10.01 hereof, and the Health System as the substitute Borrower, without the consent of the Owners, shall enter into an Amended and Restated Loan Agreement that gives effect to the Debt Assumption, amends the representations, warranties and covenants of the Borrower to be applicable to the Health System instead and substantially similar in scope to the representations, warranties and covenants of the Borrower in Section 2.02 of the Loan Agreement (unless otherwise agreed to by the Issuer), deletes all Project-specific, special purpose entity and Material Contract covenants that are inapplicable to the Health System, and adds an option for the Health System as substitute Borrower to prepay its obligations under the Amended and Restated Loan Agreement (in whole or in part at a Redemption Price equal to the principal amount of such Bonds to be redeemed plus accrued interest thereon to the date of redemption, without premium, from insurance proceeds received with respect to casualty losses or condemnation awards to the extent such proceeds or awards have not been used to restore, repair or replace such property;

(c) The Health System shall issue and deliver the Master Obligation (or, if the Health System does not maintain a master trust indenture, such other general unsecured obligation or direct note obligation of the Health System as the Health System shall designate) to the Issuer, the Issuer shall execute an assignment of such obligation to the Trustee, and the Issuer shall deliver such obligation with the assignment to the Trustee;

(d) The Issuer and the Trustee, with the consent of the Health System, but without the consent of the Owners, shall enter into a Supplemental Indenture effective as of the Debt Assumption Date which:

(i) Amends the definition of “Borrower” to refer to the Health System;

(ii) Amends the definition of “Loan Agreement” to refer to the Amended and Restated Loan Agreement between the Issuer and the Health System dated as of the Debt Assumption Date;

(iii) Deletes all references to the “Collateral Agent,” the “Collateral Security Agreement” and the “Security Documents” in this Indenture;

(iv) Amends the definition of "Trust Estate" in **Error! Reference source not found.** hereof to refer to the obligation referred to in clause (c) above instead of the "Collateral Security Agreement";

(v) Amends the provisions of **Error! Reference source not found.** hereof regarding the Debt Service Fund to reflect that payments of principal and Redemption Price of and interest on the Bonds will be paid by the Health System directly to the Trustee and pursuant to the Amended and Restated Loan Agreement and the obligation referred to in clause (c) above instead of through the Collateral Agent pursuant to the Collateral Security Agreement; and

(vi) Makes all other amendments, which in the opinion of Bond Counsel, are necessary to give effect to the Debt Assumption.

(e) The Collateral Security Agreement and the other Security Documents shall terminate automatically pursuant to their terms.

(f) The Issuer and the Trustee shall have received a Favorable Opinion of Bond Counsel with respect to the Debt Assumption.

(g) The Health System shall have used commercially reasonable efforts to provide the Issuer and Trustee with confirmation of the then-current rating on the Bonds from each Nationally Recognized Rating Agency currently rating the Bonds; provided, however, that the failure to obtain any such confirmation, or the absence of any rating on the Bonds, shall not prevent or delay the Debt Assumption.

(h) From and after the Debt Assumption Date, the original Borrower shall no longer have any liability under this Indenture or the Loan Agreement, and the Issuer and Trustee shall look only to the Health System, as the substitute Borrower, for any and all obligations and liabilities of the Borrower.

[*Remainder of this page intentionally left blank.*]

IN WITNESS WHEREOF, the Issuer and the Trustee have caused this Indenture to be executed under seal in their respective corporate names by their duly authorized officers, all as of the date first above written.

RHODE ISLAND HEALTH AND
EDUCATIONAL BUILDING
CORPORATION

By: ____________________________
Authorized Signatory

ARGENT TRUST COMPANY, as Trustee

By: ____________________________
Name:
Title:

EXHIBIT A
to the Indenture

FORM OF SERIES 2026[A/B] BOND

The Series 2026[A/B] Bonds shall be in substantially the following form:

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), TO THE ISSUER OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE, OR PAYMENT, AND ANY CERTIFICATE TO BE ISSUED THEREFOR IS TO BE REGISTERED IN THE NAME OF CEDE & CO., OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS TO BE MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

EXCEPT AS OTHERWISE PROVIDED IN THE INDENTURE, THIS BOOK ENTRY BOND MAY BE TRANSFERRED, IN WHOLE BUT NOT IN PART, ONLY TO ANOTHER NOMINEE OF DTC OR TO A SUCCESSOR SECURITIES DEPOSITORY OR TO A NOMINEE OF A SUCCESSOR SECURITIES DEPOSITORY. THE ISSUER, THE BORROWER AND THE TRUSTEE HAVE NO RESPONSIBILITY OR OBLIGATION TO ANY NOMINEE OF DTC OR TO ANY NOMINEE OF A SUCCESSOR SECURITIES DEPOSITORY.

THIS BOND HAS NOT BEEN REGISTERED OR QUALIFIED UNDER THE SECURITIES ACT OF 1933, AS AMENDED ("1933 ACT"), OR THE SECURITIES LAWS OF ANY STATE. ANY RESALE, PLEDGE, TRANSFER OR OTHER DISPOSITION OF THIS BOND OR ANY INTEREST HEREIN WITHOUT SUCH REGISTRATION OR QUALIFICATION MAY BE MADE ONLY IN A TRANSACTION WHICH DOES NOT REQUIRE SUCH REGISTRATION OR QUALIFICATION AND WHICH IS IN ACCORDANCE WITH THE INDENTURE.

THIS BOND DOES NOT CONSTITUTE A GENERAL OBLIGATION OF THE RHODE ISLAND HEALTH AND EDUCATIONAL BUILDING CORPORATION OR A DEBT OR PLEDGE OF THE FAITH AND CREDIT OF THE STATE OF RHODE ISLAND (THE "STATE"); THE PRINCIPAL OF AND INTEREST AND PREMIUM, IF ANY, ON THIS BOND ARE PAYABLE SOLELY FROM THE TRUST ESTATE. THE ISSUER HAS NO TAXING POWER UNDER THE ACT.

UNITED STATES OF AMERICA
STATE OF RHODE ISLAND
RHODE ISLAND HEALTH AND EDUCATIONAL BUILDING CORPORATION
REVENUE BONDS
(MADRONE – SOUTH COUNTY HOSPITAL EAAS I), [TAXABLE] SERIES 2026[A/B]

Registered	**Registered**
No. R-______	**$**

Interest Rate	Maturity Date	Dated Date	CUSIP
	September 1, 20___	September [__], 2026	[___]

Registered Owner: ** CEDE & CO. **

Principal Amount: **____DOLLARS**

Capitalized terms used herein and not otherwise defined herein shall have the respective meanings assigned to such terms in the Indenture described herein.

THE RHODE ISLAND HEALTH AND EDUCATIONAL BUILDING CORPORATION (the "Issuer"), a public body corporate and agency of the State of Rhode Island constituted and established to exercise the powers conferred by Rhode Island General Laws Title 45, Chapter 38.1, as amended (the "Act"), acknowledges itself indebted and for value received hereby promises to pay, but solely from the sources herein specified to the registered owner named above, or registered assigns, the principal amount stated above on the maturity date stated above, except as the provisions herein set forth with respect to redemption prior to maturity may become applicable hereto, and in like manner to pay interest on said principal amount at the interest rate per annum set forth above in the manner set forth herein, until said principal amount is paid in full.

THE ISSUER PROMISES TO PAY interest on the unpaid principal amount hereof (calculated on the basis of a 360-day year of twelve 30-day months) from the date of delivery of the Series 2026[A/B] Bonds at the respective Interest Rate per annum specified above. Interest is payable semiannually on March 1, 2027 and on each March 1 and September 1 thereafter to the date of payment; except, that if this Series 2026[A/B] Bond is required to be authenticated and the date of its authentication is later than the first Record Date (hereinafter defined), but before the first Interest Payment Date, such principal amount shall bear interest from the date of delivery of the Series 2026[A/B] Bonds, unless such date of authentication is after any other Record Date but on or before the next following Interest Payment Date, in which case such principal amount shall bear interest from such next following Interest Payment Date; provided, however, that if on the date of authentication hereof the interest on the Series 2026[A/B] Bond or Bonds, if any, for which this Series 2026[A/B] Bond is being exchanged is due but has not been paid, then this Series 2026 [A/B] Bond shall bear interest from the date to which such interest has been paid in full.

Method and Place of Payment. The principal of and interest on this Series 2026[A/B] Bond shall be payable in any coin or currency of the United States of America which on the respective dates of payment thereof is legal tender for the payment of public and private debts. The principal of and Redemption Price, on this Series 2026[A/B] Bond shall be payable by (i) check of the Trustee mailed, on or before each Interest Payment Date, to the Owner thereof at his address as it last appears on the registration records of the Trustee at the close of business on the Record Date, (ii) in the case of Series 2026[A/B] Bonds in book-entry form, to DTC in immediately available funds and disbursement of such funds to owners of beneficial interests in Series 2026[A/B] Bonds in book-entry form will be made in accordance with the procedures of DTC or (iii) by such other method as mutually agreed in writing between the Owner of this

Series 2026[A/B] Bond and the Trustee at the maturity or redemption date upon presentation and surrender of this Series 2026[A/B] Bond at the designated payment office of Argent Trust Company, as trustee (the "Trustee"). The interest payable on this Series 2026[A/B] Bond on any Interest Payment Date shall be paid by the Trustee to the registered owner of this Series 2026[A/B] Bond appearing on the bond register maintained by the Trustee at the close of business on the 15th day of the month preceding the month of each Interest Payment Date (the "Record Date"). If any such Record Date is not a Business Day, then the Record Date is the Business Day next preceding such date.

Authorization of Bonds. This Series 2026[A/B] Bond is one of a duly authorized series of bonds of the Issuer designated as the "Rhode Island Health and Educational Building Corporation Revenue Bonds (Madrone – South County Hospital EaaS I), [Taxable] Series 2026[A/B]" in the aggregate principal amount of $[[2026A PAR]/[2026B PAR]] (the "Series 2026[A/B] Bonds"), issued pursuant to the authority of and in full compliance with the applicable laws of the State and pursuant to proceedings duly had by the Issuer. The Series 2026[A/B] Bonds are issued under and are equally and ratably secured and entitled to the protection given by that certain Indenture of Trust, dated as of September 1, 2026 (said Indenture of Trust, as amended, modified and/or supplemented from time to time in accordance with the provisions thereof, the "Indenture"), between the Issuer and the Trustee, for the purpose of making a loan to Madrone – South County Hospital EaaS I, LLC, a Rhode Island limited liability company (together with its successors or assigns, the "Borrower"), to provide funds for the purposes set forth in the Indenture. The loan will be made pursuant to that certain Loan Agreement, dated as of September 1, 2026 (as amended, modified and/or supplemented from time to time in accordance with the provisions thereof, the "Loan Agreement"), between the Issuer and the Borrower. Pursuant to the terms and conditions of the Indenture, the Issuer has pledged and assigned all of its right, title and interest (except for Reserved Rights) in and to the Loan Agreement, including the right to receive all payments thereunder, to the Trustee as security for the Series 2026[A/B] Bonds, subject to the Security Documents. Reference is hereby made to the Indenture, which may be inspected at the designated payment office of the Trustee, for a description of the property pledged and assigned thereunder, and the provisions, among others, with respect to the nature and extent of the security for the Series 2026[A/B] Bonds, and the rights, duties and obligations of the Issuer, the Trustee and the registered owners of the Series 2026[A/B] Bonds, and a description of the terms upon which the Series 2026[A/B] Bonds are issued and secured, upon which provision for payment of the Series 2026[A/B] Bonds or portions thereof and defeasance of the lien of the Indenture with respect thereto may be made and upon which the Indenture may be deemed satisfied and discharged prior to payment of the Series 2026[A/B] Bonds.

Redemption. The Series 2026[A/B] Bonds shall be subject to redemption as provided in the Indenture.

Notice of Redemption. Notice of any optional or mandatory redemption identifying the Series 2026[A/B] Bonds or portions thereof to be redeemed and specifying the terms of such redemption, shall be given by the Trustee by mailing a copy of the redemption notice by United States first-class mail (or, in the case of Series 2026[A/B] Bonds in book-entry form, sending such notice in accordance with the procedures of DTC), at least 20 days prior to the date fixed for redemption, to the Owner of each Series 2026[A/B] Bond to be redeemed at the address as it last appears on the registration records of the Trustee; *provided*, however, that failure to give

any such notice, or any defect therein, shall not affect the validity of any proceedings of any Series 2026[A/B] Bonds as to which no such failure has occurred. The Trustee shall give notice in the name of the Issuer of redemption of the Series 2026[A/B] Bonds upon receipt by the Trustee at least 25 days (or such shorter period as may be agreed by the Trustee) prior to the redemption date of a written request of the Borrower. Such request shall specify the principal amount of the Series 2026[A/B] Bonds and their maturities to be called for redemption, the applicable redemption price or prices, [2026B Bonds only: the method of calculating the Make-Whole Redemption Price], the date fixed for redemption and the provision or provisions above referred to pursuant to which Series 2026[A/B] Bonds are to be called for redemption.

Any notice sent as provided herein shall be conclusively deemed to have been duly given, whether or not the Owner receives the notice. Notice of optional redemption may, at the Borrower's option and discretion, be subject to one or more conditions precedent and may be subject to rescission at the option of the Borrower. If any such redemption or notice is subject to satisfaction of one or more conditions precedent, such notice will state that, in the Borrower's discretion, the date fixed for redemption may be delayed until such time as any or all such conditions shall be satisfied, or such redemption may not occur and such notice may be rescinded in the event that any or all such conditions shall not have been satisfied by the date fixed for redemption, or by such date so delayed.

If at the time of sending of notice of any optional redemption or extraordinary redemption of Series 2026[A/B] Bonds there shall not have been deposited with the Trustee moneys sufficient to pay the Redemption Price of all the Series 2026[A/B] Bonds called for redemption, which moneys are or will be available for redemption of Series 2026[A/B] Bonds (the "Redemption Moneys"), such notice shall state that it is conditional upon the deposit of an amount equivalent to the full amount of the Redemption Moneys with the Trustee for such purpose not later than the opening of business on the redemption date specified in the relevant redemption notice, and such redemption notice shall be of no effect unless such Redemption Moneys are so deposited.

So long as DTC is effecting book-entry transfers of the Series 2026[A/B] Bonds, the Trustee, at the direction of the Issuer or the Borrower, shall provide the notices specified herein to DTC. It is expected that DTC shall, in turn, notify its direct participants and that the direct participants, in turn, will notify or cause to be notified the beneficial owners of the Series 2026[A/B] Bonds. Any failure on the part of DTC or a direct participant, or failure on the part of a nominee of a beneficial owner of a Series 2026[A/B] Bond (having been sent notice from the Trustee, DTC, a direct participant or otherwise) to notify the beneficial owner of the Series 2026[A/B] Bonds so affected, shall not affect the validity of the redemption of such Bond.

Book-Entry System. The Series 2026[A/B] Bonds are being issued by means of a book-entry system with no physical distribution of bond certificates to be made except as provided in the Indenture. One or more bond certificates with respect to each date on which the Series 2026[A/B] Bonds are stated to mature, registered in the nominee name of DTC, is being issued and required to be deposited with DTC and immobilized in its custody. The book-entry system will evidence positions held in the Series 2026[A/B] Bonds by DTC's direct participants, beneficial ownership of the Series 2026[A/B] Bonds in Authorized Denominations being evidenced in the records of such direct participants. Transfers of ownership shall be effected on the records of DTC and its direct participants pursuant to rules and procedures established by DTC and its direct participants. The Issuer and the Trustee will recognize the DTC nominee, while the registered owner of this Series 2026[A/B] Bond, as the owner of this Series 2026[A/B] Bond for all purposes under the Indenture, including (i) payments of principal of, and Redemption Price, and interest on, this Series 2026[A/B] Bond, (ii) notices and (iii) voting. Transfer of principal, interest and any Redemption Premium payments to direct participants of DTC, and transfer of principal, interest and any Redemption Premium payments to beneficial owners of the Series 2026[A/B] Bonds by direct participants of DTC will be the responsibility of such direct participants and other nominees of such beneficial owners. The Issuer and the Trustee will not be responsible or liable for such transfers of payments or for maintaining, supervising or reviewing the records maintained by DTC, the DTC nominee, its direct participants or persons acting through such direct participants. While the DTC nominee is the owner of this Series 2026[A/B] Bond, notwithstanding the provisions hereinabove contained, payments of principal of, Redemption Premium, and interest on this Series 2026[A/B] Bond shall be made in accordance with existing arrangements among the Issuer, the Trustee and DTC.

Transfer and Exchange. **EXCEPT AS OTHERWISE PROVIDED IN THE INDENTURE, THIS SERIES 2026[A/B] BOND MAY BE TRANSFERRED, IN WHOLE BUT NOT IN PART, ONLY TO ANOTHER NOMINEE OF THE DTC OR TO A DTC SUCCESSOR OR TO A NOMINEE OF THE DTC SUCCESSOR**. This Series 2026[A/B] Bond may be transferred or exchanged, as provided in the Indenture, only upon the bond register maintained by the Trustee at the above-mentioned office of the Trustee by the registered owner hereof in person or by his duly authorized attorney, upon surrender of this Series 2026[A/B] Bond together with a written instrument of transfer satisfactory to the Trustee duly executed by the registered owner or his duly authorized attorney, and thereupon a new Series 2026[A/B] Bond or Bonds of the same maturity and in the same aggregate principal amount, shall be issued to the transferee in exchange therefor as provided in the Indenture, and upon payment of the charges therein prescribed. Except as otherwise specifically provided herein and in the Indenture with respect to rights of direct participants and beneficial owners when a book-entry system is in effect, the Issuer and the Trustee may deem and treat the person in whose name this Series 2026[A/B] Bond is registered on the bond register as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal or redemption price hereof and interest due hereon and for all other purposes under the Indenture. The Series 2026[A/B] Bonds shall be in Authorized Denominations.

IN CERTAIN CIRCUMSTANCES SET OUT HEREIN, THIS SERIES 2026[A/B] BOND (OR PORTION THEREOF) IS SUBJECT TO PURCHASE OR REDEMPTION, IN EACH CASE UPON NOTICE TO THE OWNER HEREOF AS OF A DATE PRIOR TO SUCH PURCHASE OR REDEMPTION. IN EACH SUCH EVENT AND UPON DEPOSIT OF THE PURCHASE OR REDEMPTION PRICE WITH THE TRUSTEE ON THE PURCHASE OR REDEMPTION DATE, AS THE CASE MAY BE, THIS SERIES 2026[A/B] BOND (OR PORTION THEREOF) SHALL CEASE TO BE DEEMED TO BE OUTSTANDING UNDER THE INDENTURE, INTEREST HEREON SHALL CEASE TO ACCRUE AS OF THE PURCHASE OR REDEMPTION DATE, AND THE REGISTERED OWNER HEREOF SHALL BE ENTITLED ONLY TO RECEIVE THE PURCHASE OR REDEMPTION PRICE SO DEPOSITED WITH THE TRUSTEE BUT ONLY UPON SURRENDER OF THIS SERIES 2026[A/B] BOND TO THE TRUSTEE.

Limitation on Rights. The registered owner of this Series 2026[A/B] Bond shall have no right to enforce the provisions of the Indenture or to institute an action to enforce the covenants therein, or to take any action with respect to any event of default under the Indenture, or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Indenture. In certain events, on the conditions, in the manner and with the effect set forth in the Indenture, the principal of all the Series 2026[A/B] Bonds issued under the Indenture and then outstanding may become or may be declared due and payable before the stated maturity thereof, together with interest accrued thereon. The Series 2026[A/B] Bonds or the Indenture may be modified, amended or supplemented only to the extent and in the circumstances permitted by the Indenture.

Limited Obligations. THIS BOND IS A LIMITED OBLIGATION OF THE ISSUER. THIS BOND IS NOT A DEBT OF THE STATE OR OF THE POLITICAL SUBDIVISIONS OF THE STATE. THIS BOND SHALL NOT OBLIGATE THE STATE, THE ISSUER OR ANY POLITICAL SUBDIVISION APPROVING A FINANCING UNDER THE ACT TO LEVY ANY TAX OR MAKE ANY APPROPRIATION FOR PAYMENT THEREOF OR WITH RESPECT THERETO. THIS BOND IS ISSUED BY THE ISSUER UNDER THE ACT AND IS PAYABLE SOLELY FROM THE TRUST ESTATE. THE ISSUER HAS NO TAXING POWER. THIS BOND HAS BEEN AUTHORIZED AND ISSUED PURSUANT TO THE LAWS OF THE STATE, INCLUDING PARTICULARLY THE ACT. THIS BOND SO ISSUED SHALL NOT BE INVALID FOR ANY IRREGULARITY OR DEFECT IN THE PROCEEDINGS FOR ITS SALE OR ISSUANCE.

Authentication and Authorization. It is hereby certified and recited that all conditions, acts and things required by law and the Indenture to exist, to have happened and to have been performed precedent to the issuance of this Series 2026[A/B] Bond, exist, have happened and have been performed and that the issue of Series 2026[A/B] Bonds of which this is one, together with all other indebtedness of the Issuer, complies in all respects with the applicable laws of the State, including, particularly, the Act.

No member, officer, official, agent or employee of the Issuer and no member, officer, official, agent or employee of the State or any department, board or agency of the State shall be individually or personally liable for the payment of the principal of, Redemption Price or interest on this Bond or be subject to any personal liability or accountability by reason of the issuance hereof.

This Series 2026[A/B] Bond shall not be entitled to any benefit under the Indenture or be valid or become obligatory for any purpose until this Series 2026[A/B] Bond shall have been authenticated by the execution by the Trustee of the Trustee's Certificate of Authentication hereon.

Governing Law. This Series 2026[A/B] Bond shall be governed by and construed in accordance with the laws of the State.

IN WITNESS WHEREOF, the Issuer has caused this Bond to be executed in its name by its [Chair][Vice Chair] and attested by the Assistant Secretary by their manual signatures as of the dated date set forth above.

RHODE ISLAND HEALTH AND EDUCATIONAL BUILDING CORPORATION

(SEAL)

By: ______________________________
[Chair][Vice Chair]

ATTEST:

By: ______________________________
Assistant Secretary

[END OF SERIES 2026[A/B] BOND FORM]

[FORM OF CERTIFICATE OF AUTHENTICATION]

This Series 2026[A/B] Bond is one of the Series 2026[A/B] Bonds delivered pursuant to the within-mentioned Indenture.

ARGENT TRUST COMPANY, as Trustee

Date: ____________________________ By: ______________________________
Authorized Signatory

[END OF FORM OF CERTIFICATE OF AUTHENTICATION]

[FORM OF ASSIGNMENT]

For value received, the undersigned hereby sells, assigns and transfers unto __________________ the within Series 2026[A/B] Bond and hereby irrevocably constitutes and appoints _____________________ attorney, to transfer the same on the records of the Trustee, with full power of substitution in the premises.

____

____

Dated: ______________________

Signature Guaranteed by a member of the Medallion Signature Program:

____

Address of transferee:

____

Social Security or other tax identification number of transferee:

____

NOTE: The signature to this Assignment must correspond with the name as written on the face of the within Series 2026[A/B] Bond in every particular, without alteration or enlargement or any change whatsoever.

EXCHANGE OR TRANSFER FEES MAY BE CHARGED

[END FORM OF ASSIGNMENT]

EXHIBIT B
to the Indenture

SCHEDULE OF PAYMENTS FROM THE SERIES 2026 FUNDED INTEREST ACCOUNT

Series 2026A Bonds

Interest Payment Date	Payment Amount

Series 2026B Taxable Bonds

Interest Payment Date	Payment Amount

EXHIBIT C
to the Indenture

FORM OF REQUISITION FOR MONEY FROM THE COSTS OF ISSUANCE FUND

REQUISITION FOR MONEY FROM THE COSTS OF ISSUANCE FUND

To: ARGENT TRUST COMPANY, as Trustee

Re: Rhode Island Health and Educational Building Corporation Revenue Bonds (Madrone – South County Hospital EaaS I), Series 2026A and Taxable Series 2026B

Requisition No. __

The undersigned, on behalf of Madrone – South County Hospital EaaS I, LLC (the "Borrower"), hereby requests Argent Trust Company (the "Trustee"), as trustee under that certain indenture of trust (the "Indenture") between the Rhode Island Health and Educational Building Corporation (the "Issuer") and the Trustee, dated as of September 1, 2026, relating to the Issuer's Revenue Bonds (Madrone – South County Hospital EaaS I), Series 2026A and Taxable Series 2026B (collectively, the "Bonds"), to pay from the [Series 2026A Costs of Issuance Account/Series 2026B Taxable Costs of Issuance Account] of the Costs of Issuance Fund to the payee or payees named below, the total amount shown below to the order of the payee or payees named below, as payment or reimbursement for costs incurred or expenditures made for Costs of Issuance. The payee(s), the purpose and the amount of the disbursement requested are as follows:

SEE SCHEDULE I ATTACHED HERETO

The Borrower hereby certifies that each item has been properly incurred by the Borrower, is presently due and payable, and is a proper charge against the Costs of Issuance Fund. None of the items for which payment is requested has been reimbursed previously from the Costs of Issuance Fund.

Capitalized terms used and not defined herein shall have the meanings set forth in the Indenture.

Dated: ____________

MADRONE – SOUTH COUNTY HOSPITAL EAAS I, LLC

By: ________________________________
Authorized Representative

SCHEDULE I

Payee	Amount	Purpose

EXHIBIT D
to the Indenture

FORM OF REQUISITION FOR MONEY FROM THE ENERGY ASSETS PROJECT FUND

REQUISITION FOR MONEY FROM THE ENERGY ASSETS PROJECT FUND

To: ARGENT TRUST COMPANY, as Trustee

Re: Rhode Island Health and Educational Building Corporation Revenue Bonds (Madrone – South County Hospital EaaS I), Series 2026A and Taxable Series 2026B

Requisition No. __

The undersigned, on behalf of Madrone – South County Hospital EaaS I, LLC (the "Borrower"), hereby requests Argent Trust Company (the "Trustee"), as trustee under that certain indenture of trust (the "Indenture") between the Rhode Island Health and Educational Building Corporation (the "Issuer") and the Trustee, dated as of September 1, 2026, relating to the Issuer's Revenue Bonds (Madrone – South County Hospital EaaS I), Series 2026A and Taxable Series 2026B (collectively, the "Bonds"), to pay from the [Series 2026A Energy Assets Project Account/Series 2026B Taxable Energy Assets Project Account] of the Energy Assets Project Fund to the payee or payees named below, the total amount shown below to the order of the payee or payees named below, as payment or reimbursement for costs incurred or expenditures made for in-kind Energy Asset Improvements (as defined in the ERPA). The payee(s), the purpose and the amount of the disbursement requested are as follows:

SEE SCHEDULE I ATTACHED HERETO

The Borrower hereby certifies that each item has been properly incurred by the Borrower, is presently due and payable, and is a proper charge against the Energy Assets Project Fund. None of the items for which payment is requested has been reimbursed previously from the Energy Assets Project Fund.

Capitalized terms used and not defined herein shall have the meanings set forth in the Indenture.

Dated: ____________

MADRONE – SOUTH COUNTY HOSPITAL EAAS I, LLC

By: _________________________________
Authorized Representative

SCHEDULE I

Payee	Amount	Purpose

EXHIBIT E
to the Indenture

FORM OF UNIFORM COMMERCIAL CODE FINANCING STATEMENT

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APPENDIX F

FORM OF LOAN AGREEMENT

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LOAN AGREEMENT

BETWEEN

RHODE ISLAND HEALTH AND EDUCATIONAL BUILDING CORPORATION,
AS ISSUER

AND

MADRONE – SOUTH COUNTY HOSPITAL EAAS I, LLC,
AS BORROWER

DATED AS OF SEPTEMBER 1, 2026

RELATING TO
RHODE ISLAND HEALTH AND EDUCATIONAL BUILDING CORPORATION
REVENUE BONDS
(MADRONE – SOUTH COUNTY HOSPITAL EAAS I)
SERIES 2026A AND TAXABLE SERIES 2026B

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LOAN AGREEMENT

This LOAN AGREEMENT (as amended, supplemented or otherwise modified from time to time, this "Loan Agreement"), dated as of September 1, 2026, is entered into by and between the RHODE ISLAND HEALTH AND EDUCATIONAL BUILDING CORPORATION (together with its successors or assigns, the "Issuer"), a public body corporate and agency of the State of Rhode Island constituted and established to exercise the powers conferred by Rhode Island General Laws Title 45, Chapter 38.1, as amended (the "Act"), and MADRONE – SOUTH COUNTY HOSPITAL EAAS I, LLC, a Rhode Island limited liability company (together with its successors or assigns, the "Borrower"), the sole member of which is the 501(c)(3) Entity (as defined in the hereinafter defined Indenture). All capitalized but undefined terms in the recitals shall have the meanings given such terms in Section 1.01 hereof.

W I T N E S S E T H:

WHEREAS, the Borrower has requested the Issuer issue its Rhode Island Health and Educational Building Corporation Revenue Bonds (Madrone – South County Hospital EaaS I), Series 2026A (the "Series 2026A Bonds") and its Rhode Island Health and Educational Building Corporation Revenue Bonds (Madrone – South County Hospital EaaS I), Taxable Series 2026B (the "Series 2026B Taxable Bonds" and together with the Series 2026A Bonds, the "Series 2026 Bonds") in a combined aggregate principal amount of $[PAR], and lend the proceeds thereof to the Borrower to: (A) pay or reimburse the costs of the acquisition, development, construction, improvement and equipping of certain energy related improvements, including but not limited to, upgrading and replacing central utility plant assets, replacing electrical distribution infrastructure, upgrading building automation systems, implementing energy savings measures, and making other infrastructure improvements at certain hospitals and related facilities owned and/or principally used by the Health System and/or certain affiliates of the Health System located in the State of Rhode Island (the "Project"); (B) refund the Existing Indebtedness, the proceeds of which were used to finance capital expenditures of the Health System and/or certain affiliates of the Health System; (C) fund a portion of the interest to accrue on the Series 2026 Bonds; (D) fund a deposit to the Suspense Account, and (E) pay or reimburse certain costs incurred in connection with the issuance of the Series 2026 Bonds (collectively, the "Financing Purposes"); and

WHEREAS, the Issuer has concurrently entered into the Indenture of Trust, dated as of the Dated Date (as it may be amended, supplemented or otherwise modified from time to time, the "Indenture"), with Argent Trust Company, as trustee (the "Trustee"), to provide for the issuance of the Series 2026 Bonds; and

WHEREAS, upon the issuance of the Series 2026 Bonds, the Issuer will lend (the "Series 2026 Loan") the proceeds thereof to the Borrower pursuant to this Loan Agreement, for the Financing Purposes; and

WHEREAS, the Borrower, the Collateral Agent, the Trustee and the Securities Intermediary have concurrently entered into the Collateral Security Agreement, dated as of the Dated Date (as it may be amended, supplemented or otherwise modified from time to time, the "Collateral Security Agreement"); and

WHEREAS, the Borrower has concurrently entered into certain other Financing Documents related to the Project and the issuance of the Series 2026 Bonds; and

WHEREAS, in accordance with the provisions of the Indenture, the Issuer may issue Additional Parity Bonds (together with the Series 2026 Bonds, the "Bonds") pursuant to Article XII of the Indenture, which Additional Parity Bonds will be equally and ratably secured by the Trust Estate with all other then Outstanding Bonds, without preference, priority or distinction; and

NOW THEREFORE, in consideration of the premises and the mutual covenants herein made, and subject to the conditions herein set forth, the parties hereto agree as follows:

ARTICLE I
DEFINITIONS

Section 1.01 Definitions.

All capitalized terms used herein (including in the preamble and recitals) but not otherwise defined herein shall have the respective meanings given to them in Exhibit A to the Collateral Security Agreement, or, if not defined herein or in Exhibit A to the Collateral Security Agreement, in the Indenture.

Section 1.02 Uses of Phrases.

(a) Except as otherwise expressly provided, the following rules of interpretation shall apply to this Loan Agreement:

(i) the definitions of terms herein shall apply equally to the singular and plural forms of the terms defined;

(ii) whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms;

(iii) the words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation";

(iv) the word "will" shall be construed to have the same meaning and effect as the word "shall";

(v) unless the context requires otherwise, any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein or therein) and shall include any appendices, schedules, exhibits, clarification letters, side letters and disclosure letters executed in connection therewith;

(vi) any reference herein to any Person shall be construed to include such Person's permitted successors or assigns and, in the case of any Governmental Authority, any Person succeeding to its functions and capacities;

(vii) the words "herein", "hereof" and "hereunder", and words of similar import, shall be construed to refer to this Loan Agreement in its entirety and not to any particular provision thereof;

(viii) all references in this Loan Agreement to Articles, Sections and Exhibits shall be construed to refer to Articles and Sections of, and Exhibits to, this Loan Agreement;

(ix) the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights;

(x) references to days shall refer to calendar days unless Business Days are specified; references to weeks, months or years shall be to calendar weeks, months or years, respectively; and

(xi) except as otherwise expressly provided herein, all terms of an accounting or financial nature shall be construed in accordance with GAAP.

(b) Withdrawals to Occur on a Business Day. In the event that any withdrawal, transfer or payment to or from any Account contemplated under this Loan Agreement shall be required to be made on a day that is not a Business Day, such withdrawal, transfer or payment shall be made on the immediately succeeding Business Day.

(c) Delivery or Performance to Occur on a Business Day. In the event that any document, agreement or other item or action is required by any Financing Document to be delivered or performed on a day that is not a Business Day, the due date thereof shall be extended to the immediately succeeding Business Day.

(d) Any percentage of Series 2026 Bonds specified herein for any purpose is to be calculated by reference to the unpaid principal amount thereof then Outstanding.

ARTICLE II
REPRESENTATIONS AND WARRANTIES

Section 2.01 Representations and Warranties of the Issuer.

(a) The Issuer hereby represents and warrants to the Borrower, as of the Closing Date, that: it is a public body corporate and agency of the State, established, duly created and validly existing under the laws of the State with the power under and pursuant to the Act, to execute and deliver the Indenture and this Loan Agreement and to perform its obligations hereunder, and to issue and sell the Series 2026 Bonds pursuant to the Indenture and this Loan Agreement; and

(b) it has taken all necessary action and has complied with all provisions of the Constitution of the State and the Act required to make the Indenture, this Loan Agreement and the Series 2026 Bonds the valid obligations of the Issuer which they purport to be; and, when executed and delivered by the parties hereto, each of the Indenture and this Loan Agreement will constitute a valid and binding agreement of the Issuer enforceable in accordance with its terms, except as enforceability may be subject to the exercise of judicial discretion in accordance with general equitable principles and to applicable bankruptcy, insolvency, reorganization, moratorium and other laws for the relief of debtors heretofore enacted to the extent that the same may be constitutionally applied; and

(c) when delivered to and paid for pursuant to the Bond Purchase Agreement, the Series 2026 Bonds will constitute valid and binding special obligations of the Issuer enforceable in accordance with their terms, except as enforceability may be subject to the exercise of judicial discretion in accordance with general equitable principles and to applicable bankruptcy, insolvency, reorganization, moratorium and other laws for the relief of debtors heretofore or hereafter enacted to the extent that the same may be constitutionally applied, and will be entitled to the benefits of the Indenture and this Loan Agreement; and

(d) the Issuer makes no other representations or warranties, either express or implied, of any nature or kind, including, without limitation, a representation or warranty that interest on the Series 2026A Bonds is or will continue to be exempt from federal or state income taxation.

Section 2.02 Representations and Warranties of the Borrower.

The Borrower hereby represents and warrants to the Issuer, as of the Closing Date, that:

(a) The Borrower is a Rhode Island limited liability company duly formed, validly existing and in good standing under the laws of such jurisdiction, and is qualified to do business in such jurisdiction.

(b) The Borrower has full organizational power and authority to conduct its business as now conducted and as presently proposed to be conducted immediately following the execution and delivery of the Financing Documents to which it is a party and the Borrower has full power and authority to execute, deliver and perform its obligations under each Financing Document to which it is a party.

(c) The 501(c)(3) Entity is an organization described in Section 501(c)(3) of the Code and is exempt from federal income tax under Section 501(a) of the Code.

(d) The Borrower is disregarded as an entity separate from the 501(c)(3) Entity for federal tax purposes and it has not made any election under Treas. Reg. 301.7701-3 that is inconsistent with such classification.

(e) All necessary action on the part of the 501(c)(3) Entity required to authorize the execution, delivery and performance of each Financing Document to which the Borrower is a party has been duly taken.

(f) All necessary actions on the part of the Borrower required to authorize the execution, delivery and performance of each Financing Document to which it is a party has been duly taken.

(g) Each of the Financing Documents to which the Borrower is a party has been duly authorized, executed and delivered by the Borrower and constitutes a valid and binding obligation of the Borrower, enforceable against the Borrower in accordance with its terms, and the Reserved Rights constitute the legal, valid, and binding agreements of the Borrower enforceable against the Borrower by the Issuer in accordance with their terms, except in each case as may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent transfer or other similar laws or judicial action affecting the enforcement of creditors' rights generally and the application of general principles of equity (regardless of whether enforceability is considered in a proceeding in equity or at law).

(h) The execution, delivery and performance by the Borrower of each Financing Document to which it is a party does not (1) conflict with or constitute a violation or breach of or default (with due notice or the passage of time or both) under the Organizational Documents of the Borrower, (2) conflict with any contractual obligations binding on, or to the knowledge of the Borrower, affecting the Borrower, except where such conflict would not reasonably be expected to have a Material Adverse Effect, (3) violate any provision of any court decree or order binding on, or to the knowledge of the Borrower, affecting the Borrower, except where such violation would not reasonably be expected to have a Material Adverse Effect, (4) violate any provision of any law or governmental regulation binding on, or to the knowledge of the Borrower, affecting the Borrower, except where such violation would not reasonably be expected to have a Material Adverse Effect, or (5) result in, or require, the creation or imposition of any Lien on any of the properties or revenues of the Borrower, except for Permitted Liens.

(i) Except as may be described in the Official Statement, on the Closing Date, there is no pending or, to the Borrower's knowledge, threatened litigation or proceeding against the Borrower or with respect to the transactions contemplated by this Loan Agreement or the other Financing Documents which has a material likelihood of success and if determined adversely to the Borrower or to such transactions, would reasonably be expected to have a Material Adverse Effect.

(j) Except as may be described in the Official Statement, the Borrower has obtained all Governmental Approvals required to be obtained by the Borrower, and no consent or approval of any trustee or holder of any indebtedness of the Borrower or any guarantor of indebtedness of or other provider of credit or liquidity to the Borrower is necessary, in connection with the acquisition, construction and installation of the Project and the execution and delivery of, and performance by the Borrower of its obligations, and the exercise of its rights, under the Financing Documents and all such Governmental Approvals are in full force and effect except for such Governmental Approvals that are not then required to be obtained or such Governmental Approvals the failure to obtain which would not reasonably be expected to result in a Material Adverse Effect.

(k) The Borrower is a disregarded entity for federal income tax purposes and therefore is not required to make any annual federal tax filings. The 501(c)(3) Entity has, if required, timely filed, caused to be filed (or applied for an extension relating to the same) all annual federal tax filings, including an IRS Form 990 and any income tax returns related to material taxes, and has paid all taxes due, except for such taxes being contested in good faith and for which the Borrower has established reserves in accordance with GAAP or which if adversely determined would not reasonably be expected to result in a Material Adverse Effect; and the Borrower does not have actual knowledge of any proposed or pending tax assessments, deficiencies, audits or other tax proceedings involving the 501(c)(3) Entity that would reasonably be expected to result in a Material Adverse Effect.

(l) As of the Closing Date, the 501(c)(3) Entity holds 100% of the membership interests in the Borrower, free and clear of all Liens other than the Liens granted under the Financing Documents, and all such membership interests have been duly and validly authorized and issued and there are no outstanding options, warrants, calls or other rights to subscribe for or otherwise acquire any such equity interest.

(m) The copies of all Material Contracts delivered at the Closing Date to the Trustee and Collateral Agent constitute all of the Material Contracts in effect as of the Closing Date, and such copies were true and complete in all material respects as of the Closing Date and each such Material Contract is in full force and effect and has not been terminated or amended or otherwise modified, except in accordance with the terms of the Financing Documents.

(n) The Borrower has not given or received any notice of default on its part or on the part of Optimum Energy, LLC under any Material Contract and, to the actual knowledge of the Borrower, no default exists thereunder, in each case, except for such defaults that would not reasonably be expected to have a Material Adverse Effect.

(o) No Potential Loan Default Event or Loan Default Event has occurred and is continuing under this Loan Agreement and no "Potential Event of Default" (as defined in the Indenture) or "Event of Default" (as defined in the Indenture) has occurred and is continuing under the Indenture.

(p) The Borrower has granted a Lien in and on the Collateral (as defined in the Collateral Security Agreement) to the Collateral Agent, on behalf of the Secured Parties (as defined in the Collateral Security Agreement) pursuant to the terms of the Collateral Security Agreement. All Liens created under the Security Documents are valid, legally binding and, assuming the filing of financing statements and recordation required to perfect such Liens, such Liens will be ranked as contemplated in the Financing Documents, and no Lien exists over the Borrower's interest in the Project or any other Collateral or over any other of the Borrower's revenues or assets other than Permitted Liens.

(q) The Borrower has title to all material property, assets and revenues it purports to own, subject to the Liens of the Security Documents, free and clear of all other Liens other than Permitted Liens, except where failure to have such title would not be reasonably likely to have a Material Adverse Effect. On or promptly following the Closing Date, all necessary recordings and filings will have been or will be made such that the Liens created by such Security Documents will constitute valid and perfected Liens on the Collateral to the extent required under such Security Documents, subject only to Permitted Liens.

(r) There are no liabilities or claims against the Borrower under any Environmental Law with respect to the Project, except to the extent that noncompliance with such Environmental Laws, or such liabilities or claims under Environmental Laws, would not reasonably be expected to give rise to a Material Adverse Effect.

(s) To the knowledge of the Borrower, there is no Hazardous Material on the Project, the presence of which would cause the Borrower to be in violation of any applicable laws, except where such violation would not reasonably be expected to have a Material Adverse Effect.

(t) The Borrower has no Indebtedness, except for Permitted Indebtedness.

(u) The Borrower owns, has a license or application to use, or otherwise has the right to use, free and clear of any Liens (other than Permitted Liens), all the material patents, patent applications, trademarks, permits, service marks, names, trade secrets, proprietary information and knowledge, technology, computer programs, databases, copyrights, licenses, franchises and formulas, or rights with respect thereto, and has obtained assignments of all leases and other rights of whatever nature, in each case, that are required as of the Closing Date (and as of such other date on which this representation is required to be made pursuant to the Financing Documents) for the performance by it of its obligations under the Financing Documents to which it is a party without any infringement upon the legal rights of others that would materially adversely affect the Borrower's rights to the same or result in a Material Adverse Effect.

(v) No Bankruptcy Event has occurred and is continuing with respect to the Borrower.

(w) The Borrower is and has been since its date of formation (except as permitted by Section 6.14) a Special Purpose Entity created solely for the purpose of assisting the Health System, a tax-exempt nonprofit hospital organization, in acquiring, developing, constructing, maintaining, managing and operating facilities, by undertaking the development, design, construction, financing, operation and maintenance of certain energy assets and activities related, supplemental or incidental to any of the foregoing (the "Permitted Activities"), and engaging in any lawful act or activity and exercising any powers permitted to limited liability companies, corporations or limited partnerships that are related or incidental to and necessary, convenient or advisable for the accomplishment of the above-mentioned purpose, and holds no equity or other ownership interest in any Person. Without limiting the foregoing, the Borrower: (i) has no material contingent or actual obligations not related to the Project, or any other Permitted Activities, (ii) does not and has not owned any real property other than currently or formerly with respect to or currently or formerly intended to be used in connection with the Project, or any other Permitted Activities, (iii) is not party to any contract or agreement with any of its Affiliates except upon terms and conditions that are commercially reasonable and substantially similar to those available in an arm's-length transaction with an unrelated party, in each case as reasonably determined by the Borrower in good faith, (iv) has paid all of its debts and liabilities that are not currently outstanding only from its own assets, (v) has done or caused to be done all things necessary to observe all organizational formalities applicable to it and to preserve its separate existence, (vi) has allocated fairly and reasonably any overhead expenses for any shared office space, services, property or assets, and (vii) has not had any of its obligations guaranteed or indemnified by an Affiliate, except for guarantees that have been either released or discharged, immaterial obligations guaranteed or indemnified by Affiliates in the ordinary course of business and other guarantees permitted by Section 6.14(y).

(x) True and complete copies, in all material respects, of all Financing Documents that have been executed and delivered and remain in full force and effect have been delivered to the Trustee and the Collateral Agent.

(y) (1) None of the information in any agreement, document, certificate, exhibit, financial statement, book, record, material or report or other written information furnished by or on behalf of the Borrower (A) in any Financing Documents, or (B) otherwise to the Issuer, the Trustee or the Collateral Agent with respect to the Project, when taken as a whole, contained any untrue statement of material fact or omitted to state a material fact necessary in order to make the statements contained therein not materially misleading as of the relevant date on which the same was provided in light of the circumstances in which such statements were made; and (2) any factual information provided by or on behalf of the Borrower in writing to the consultants for use in connection with any reports relating to the Project or provided to the Collateral Agent, was provided in good faith and, to the Borrower's knowledge, was accurate and correct in all material respects as of the date it was delivered; provided that with respect to the representations and warranties in this clause (x), no representation or warranty is made as to any forecasts, projections, opinions or other forward looking statements contained in any such agreement, document, certificate, exhibit, financial statement, book, record, material or report or other written information, except that such forecasts, projections, opinions or other forward looking statements were prepared or made in good faith and represented, in the reasonable opinion of the Borrower, reasonable estimates at the time made of the future performance of the Borrower and the Project based on assumptions believed by the Borrower to be reasonable at such time (it being understood that projections are not to be considered or regarded as facts, contain significant uncertainties and contingencies, many of which are beyond the control of the Borrower and actual results may differ significantly from projections).

(z) The Borrower is not an "investment company," or a company "controlled" by an "investment company," within the meaning of the Investment Company Act of 1940, as amended.

(aa) All insurance required to be maintained by the Borrower under the Financing Documents in effect has been obtained and is in full force and effect. All premiums due with respect thereto have been paid.

(bb) No ERISA Event has occurred and is continuing or is reasonably expected to occur that, when taken together with all other such ERISA Events for which liability is reasonably expected to occur, would reasonably be expected to have a Material Adverse Effect.

(cc) Neither the Borrower nor any ERISA Affiliate has incurred any withdrawal liability with respect to any Multiemployer Plan.

(dd) Neither the Borrower nor any ERISA Affiliate has failed to satisfy the minimum funding requirements of Section 302 of ERISA or Section 412 of the Code with respect to any Pension Plan.

(ee) The representations and warranties of the Borrower set forth herein, in the other Financing Documents or in certificates of the Borrower delivered in connection therewith as of the date made are true and correct in all material respects, except to the extent that such representations or warranties specifically refer to an earlier date, in which case they shall be true and correct in all material respects as of such earlier date. The Borrower understands that all such representations and warranties have been and will be relied upon as an inducement by the Issuer to issue the Series 2026 Bonds.

(ff) The Borrower does not restrict use of its facilities on racial or religious grounds. No portion of the Project includes any property used or to be used primarily as a place for religious worship or for facilities used for vocational religious training.

(gg) The Borrower acknowledges, represents and warrants that it understands the nature and structure of the transactions relating to the financing of the Project; that it is familiar with the provisions of all of the documents and instruments relating to such financing to which the Borrower is a party or of which it is a beneficiary, including the Indenture; that it understands the risks inherent in such transactions; and that it has not relied on the Issuer for any guidance or expertise in analyzing the financial or other consequences of the transactions contemplated by the Financing Documents and the Indenture or otherwise relied on the Issuer for any advice.

(hh) The Borrower is a "healthcare provider" within the meaning of Section 45-38.1-3(14)(x)(B) of the Act and the Project is a "project" as defined in the Act.

(ii) The Borrower has retained or shall retain the services of a qualified rebate analyst to perform any and all calculations required to demonstrate compliance with its covenants herein with respect to the requirements of Section 148 of the Code as applicable to the Series 2026A Bonds.

ARTICLE III
ISSUANCE OF THE SERIES 2026 BONDS

Section 3.01 Agreement to Issue the Series 2026 Bonds; Loan of Proceeds.

The Issuer hereby agrees to issue, sell and deliver the Series 2026 Bonds in accordance with the terms of the Indenture to fund the Financing Purposes. Upon the terms and conditions of this Loan Agreement and the Indenture, the Issuer hereby agrees to make the Series 2026 Loan to the Borrower on the Closing Date in an amount equal to the amount of the proceeds of the Series 2026 Bonds. As more particularly described in the [Certificate Regarding Receipt and Application of Proceeds] executed and delivered on the Closing Date by the Issuer and the Borrower, the Trustee shall apply the proceeds received from the sale of the Series 2026 Bonds, together with other available funds, on the Closing Date as follows:

(a) to Argent Trust Company as custodian, for deposit in the Project Account established under the Custody Agreement to fund costs of the Project;

(b) to the holders or lenders of the Existing Indebtedness the amount to prepay the Existing Indebtedness;

(c) to the Trustee for deposit in the Series 2026A Funded Interest Subaccount of the Series 2026 Funded Interest Account to fund interest on a portion of the Series 2026A Bonds as set forth in the Indenture;

(d) to the Trustee for deposit in the Series 2026B Funded Interest Subaccount of the Series 2026 Funded Interest Account to fund interest on a portion of the Series 2026B Bonds as set forth in the Indenture;

(e) to the Collateral Agent for deposit in the Suspense Account established under the Collateral Security Agreement for reserve monies as further described in the Collateral Security Agreement;

(f) to the Trustee for deposit in the Costs of Issuance Fund to pay certain costs of issuance as provided in the Indenture;

(g) to the Trustee for deposit in the Series 2026A Energy Assets Project Account of the Energy Assets Project Fund to fund in-kind Energy Asset Improvements for the purpose of delivering Energy Services to the Health System as set forth in the Indenture; and

(h) to the Trustee for deposit in the Series 2026B Taxable Energy Assets Project Account of the Energy Assets Project Fund to fund in-kind Energy Asset Improvements for the purpose of delivering Energy Services to the Health System as set forth in the Indenture.

Section 3.02 Borrower to Provide Funds.

In the event that proceeds derived from the Series 2026 Loan, or any other available (or to be available) funds are not sufficient to fund the Financing Purposes, the Borrower shall not be entitled to any reimbursement from the Trustee for the payment of such excess costs nor shall the Borrower be entitled to any abatement, diminution or postponement of its payments hereunder.

Section 3.03 Loan to Finance Project Costs.

The Borrower shall use the proceeds of the Series 2026 Loan to fund the Financing Purposes.

Section 3.04 Security for Repayment of Loan.

Prior to or simultaneously with the delivery of this Loan Agreement, the Borrower shall deliver the Security Documents (and, to the extent required to be delivered by the Security Documents, the Collateral) required to be delivered on the Closing Date pursuant to the Bond Purchase Agreement, as security for the payments and obligations of the Borrower hereunder.

Section 3.05 Non-Liability of the Issuer.

(a) The Issuer shall not be obligated to pay the principal of, premium, if any, or interest on, the Series 2026 Bonds, except from the Trust Estate. Neither the faith and credit nor the taxing power of the State or any political subdivision thereof, nor the faith and credit of the

Issuer is pledged to the payment of the principal of, premium, if any, or interest on, the Series 2026 Bonds. Neither the Issuer nor its officers, directors, agents or employees or their successors or assigns shall be liable for any costs, expenses, losses, damages, claims or actions, of any conceivable kind on any conceivable theory, under, by reason of or in connection with this Loan Agreement, the Bonds or the Indenture, except from the Trust Estate.

(b) The Borrower hereby acknowledges that the Issuer's sole source of moneys to repay the Series 2026 Bonds will be provided by payments made by the Borrower to the Trustee pursuant to this Loan Agreement (excepting any payments made pursuant to the Reserved Rights), together with the Trust Estate, and hereby agrees that if the payments to be made hereunder shall ever prove insufficient to pay all principal of, and premium, if any, and interest on the Series 2026 Bonds as the same shall become due (whether by maturity, redemption, acceleration or otherwise), then upon notice from the Trustee, the Borrower shall pay such amounts as are required from time to time to prevent any deficiency or default in the payment of such principal, premium or interest, including, but not limited to, any deficiency caused by acts, omissions, nonfeasance or malfeasance on the part of the Trustee, the Borrower, the Issuer or any third party, subject to any right of reimbursement from the Trustee, the Issuer or any such third party, as the case may be, therefor but solely, in the case of the Issuer, from the Additional Payments (other than funds paid to the Issuer pursuant to the Reserved Rights), other than with respect to any deficiency caused by the willful misconduct of the Issuer.

Section 3.06 Compliance with Indenture.

The Borrower shall take all action required to be taken by the Borrower in the Indenture as if the Borrower were a party to the Indenture.

ARTICLE IV
LOAN PROVISIONS

Section 4.01 Amounts Payable.

(a) The Borrower hereby covenants and agrees to repay the Series 2026 Loan, as follows: on or before any Interest Payment Date for the Series 2026 Bonds or any other date that any payment of interest, principal or Redemption Price on the Series 2026 Bonds is required to be made in respect of the Series 2026 Bonds pursuant to the Indenture, until the payment of interest, principal or Redemption Price on the Series 2026 Bonds shall have been fully paid or provision for the payment thereof shall have been made in accordance with the Indenture, in immediately available funds, a sum which, together with any other moneys available for such payment in the applicable Account of the Debt Service Fund will enable the Trustee to pay to the Owners of the Series 2026 Bonds the amount due and payable on such date as interest, principal or Redemption Price on the Series 2026 Bonds as provided in the Indenture.

The Issuer hereby directs the Borrower and, subject to the Indenture or the Collateral Security Agreement, as applicable, the Borrower hereby agrees to pay to the Trustee at the Designated Payment Office of the Trustee all payments payable by the Borrower in respect of the Series 2026 Loan pursuant to this subsection.

(b) The Borrower also shall pay to the Issuer and the Trustee, as the case may be, "Additional Payments" as follows:

(i) the reasonable fees and expenses of the Trustee, including without limitation any fees or expenses incurred pursuant to Section 8.2(b) of the Indenture, and all other amounts which may be payable to the Trustee under the terms of the Indenture or in accordance with any contractual arrangement between the Borrower and the Trustee with respect thereto;

(ii) the cost of printing any Series 2026 Bonds required to be furnished by the Issuer;

(iii) all taxes and assessments of any type or character charged to the Issuer or to the Trustee affecting the amount available to the Issuer or the Trustee from payments to be received hereunder or in any way arising due to the transactions contemplated hereby (including taxes and assessments assessed or levied by any public agency or governmental authority of whatsoever character having power to levy taxes or assessments) but excluding franchise taxes based upon the capital and/or income of the Trustee and taxes based upon or measured by the net income of the Trustee; provided, however, that the Borrower shall have the right to protest any such taxes or assessments and to require the Issuer or the Trustee, at the Borrower's expense, to protest and contest any such taxes or assessments levied upon them and that the Borrower shall have the right to withhold payment of any such taxes or assessments pending disposition of any such protest or contest unless such withholding, protest or contest would adversely affect the rights or interests of the Issuer or the Trustee or the payment when due of the principal of and interest on the Series 2026 Bonds; and provided further that the Issuer and the Trustee shall (at the Borrower's expense) provide such documentation and take such other actions as they are legally permitted to take and as will entitle them to an exemption or reduction in the amount of taxes in respect of which Additional Payments would otherwise be required to be made by under this clause (iii) (including the Issuer providing prior to the date hereof, and periodically updating as necessary, an IRS Form W-9);

(iv) The reasonable fees and expenses of such accountants, consultants, attorneys and other experts as may be engaged by the Issuer to prepare audits, financial statements, reports, opinions or provide such other services required under the Financing Documents or the Indenture; and

(v) The Annual Administrative Fee and the reasonable fees and expenses of the Issuer or any agent or attorney selected by the Issuer to act on its behalf in connection with the Financing Documents, the Bonds or the Indenture, including, without limitation, any and all reasonable expenses incurred in connection with the authorization, issuance, sale and delivery of any such Bonds or in connection with any litigation, investigation or other proceeding which may at any time be instituted involving this Loan Agreement, the Financing Documents, the Bonds or the Indenture or any of the other documents contemplated thereby, or in

connection with the reasonable supervision or inspection of the Borrower, its properties, assets or operations or otherwise in connection with the administration of the Financing Documents,

(A) for deposit to the Series 2026A Rebate Fund any amounts necessary to comply with Section 148 of the Code and the Treasury Regulations as provided in the Tax Agreement; and

(B) such amounts as may become due under Sections 6.13, 7.02 and 8.06 hereof.

Such Additional Payments shall be billed to the Borrower by the Issuer or the Trustee from time to time, together with a statement certifying that the amount billed has been incurred or paid by the Issuer or the Trustee for one or more of the above items. After such a demand, amounts so billed shall be paid by the Borrower within thirty (30) days after the date of invoice. Notwithstanding the foregoing, the Issuer shall not be required to submit a bill to the Borrower for payment of the Annual Administrative Fee or any amounts due with respect to arbitrage rebate under Section 148 of the Code, the calculation and payment for which is the responsibility of the Borrower.

The initial Annual Administrative Fee shall be paid to the Issuer by the Borrower on the Closing Date. Thereafter, the Annual Administrative Fee shall be due and payable by the Borrower in advance on March 1 and September 1 of each year commencing with the first such date following the Closing Date. The Issuer shall invoice the Borrower for the Annual Administrative Fee, and the Borrower shall pay that amount directly to the Trustee as an additional payment in accordance with Section 4.01(b) such that the Trustee shall remit from those additional payments the Annual Administrative Fee to the Issuer when due. Borrower's obligation to pay the Annual Administrative Fee shall in no way limit amounts payable by the Borrower to the Issuer under the Financing Documents, including for the enforcement thereof.

No later than fifteen (15) days prior to each date on which a payment could become due under clause (b)(vi) of this Section 4.01 (a "Rebate Payment Date"), the Borrower shall deliver to the Issuer and the Trustee a certificate either summarizing the determination that no amount is required to be paid or specifying the amount then required to be paid pursuant to such clause (b)(vi). If the certificate specifies an amount to be paid, (A) such certificate shall be accompanied by a completed Form 8038- T and a rebate calculation computed by a rebate consultant acceptable to the Issuer and in form acceptable to the Issuer, which is to be signed by an officer of the Issuer, and shall include a certification stating that the Form 8038- T is accurate and complete, and (B) the Trustee shall make such payment on the Rebate Payment Date from the Rebate Fund pursuant to Section 6.5 of the Indenture.

Section 4.02 Obligations of Borrower Unconditional.

The obligations of the Borrower to make the payments required in Section 4.01 hereof and to perform and observe the other agreements contained herein shall be absolute and unconditional and shall not be subject to any defense or any right of setoff, counterclaim or recoupment arising out of (a) any breach by the Issuer or the Trustee of any obligation to the Borrower, whether hereunder or otherwise, or (b) any indebtedness or liability at any time owing to the Borrower by the Issuer or the Trustee, and, until such time as the principal of, premium, if any, and interest on the Series 2026 Bonds shall have been fully paid or provision for the payment thereof shall have been made in accordance with the Indenture, the Borrower (1) will not suspend or discontinue any payments provided for in Section 4.01 hereof, (2) will perform and observe all other agreements contained in this Loan Agreement and the Security Documents, including without limitation, the obligation to pay Additional Payments, and (3) except as otherwise provided herein, will not terminate this Loan Agreement or any of the Security Documents for any cause, or any failure of the Issuer or the Trustee to perform and observe any agreement, whether express or implied, or any duty, liability or obligation arising out of or connected with this Loan Agreement. Nothing contained in this Section shall be construed to release the Issuer from the performance of any of the agreements on its part herein contained, and in the event the Issuer should fail to perform any such agreement on its part, the Borrower may institute such action against the Issuer as the Borrower may deem necessary to compel performance so long as such action does not abrogate the obligations of the Borrower contained in the first sentence of this Section.

ARTICLE V
PREPAYMENT AND REDEMPTION

Section 5.01 Prepayment and Redemption.

The Borrower shall have the option to prepay its obligations hereunder at the times and in the amounts as necessary to cause the Issuer to redeem the Series 2026 Bonds in accordance with the terms of the Indenture and the Series 2026 Bonds. The Issuer, at the written request and expense of the Borrower, if applicable, shall direct Bond Counsel to prepare all necessary documents and the Issuer shall forthwith take all steps (other than the payment of funds necessary to effect such redemption) as advised by Bond Counsel necessary under the applicable redemption provisions of the Indenture to effect redemption of all or part of the Outstanding Series 2026 Bonds, as may be specified by the Borrower and required by the Indenture, on the date established for such redemption. Upon any such redemption in full and payment of all amounts required by Article XI of the Indenture, this Loan Agreement shall terminate as provided in Section 9.01 hereof.

ARTICLE VI
SPECIAL COVENANTS

Section 6.01 Completion of the Project.

The Borrower shall use commercially reasonable efforts to pursue and complete the construction of the Project as described in the Official Statement.

Section 6.02 Maintenance of Existence.

Throughout the term of this Loan Agreement, other than in connection with a transfer permitted pursuant to Section 6.16 of this Loan Agreement, the Borrower shall maintain (a) its legal existence as a limited liability company, corporation or limited partnership, (b) its good standing and qualification to do business in the State of Rhode Island, (c) its status as a disregarded entity of an organization described in Section 501(c)(3) of the Code and exempt from federal income tax under Section 501(a) of the Code and (d) all material rights, franchises, privileges and

consents necessary for the maintenance of its existence and for the development, operation and maintenance of the Project, except to the extent the Borrower reasonably determines that the failure to maintain any such rights, franchises, privileges and consents would not reasonably be expected to result in a Material Adverse Effect.

Section 6.03 Operation and Maintenance of Project; Permitted Purposes.

(a) The Borrower shall operate and maintain the Project (or cause the same to be operated and maintained) in good working order and condition (ordinary wear and tear excepted) and make (or cause to be made) all necessary repairs, renewals and replacements with respect thereto that are necessary, in each case, to permit the Project to operate in compliance in all material respects with applicable laws and Governmental Approvals material to the conduct of its business, except to the extent that the failure to do any of the foregoing would not reasonably be expected to have a Material Adverse Effect.

(b) The Borrower agrees that the Project shall be used only for the purposes described in the Act. Neither the Issuer nor the Trustee shall be liable to the Borrower or any other person for any latent or patent defect in the Project. The Borrower further agrees that no part of the Project shall be used for any purpose which would cause the Issuer's financing of the Project to constitute a violation of the First Amendment of the United States Constitution.

Section 6.04 Insurance.

The Borrower will obtain and maintain, or cause to be obtained and maintained, insurance in the manner required by the terms of the Material Contracts.

Section 6.05 Accounts and Reporting.

(a) The Borrower shall keep proper records and books of accounts in which entries shall be made of its transactions in accordance with GAAP in all material respects. Such records and books shall, to the extent permitted by law, be subject to the inspection of the Issuer, the Collateral Agent and the Trustee upon reasonable notice and at reasonable times during business hours, provided that absent a Loan Default Event the Borrower shall not be responsible for the cost of any such inspection in excess of once each year. The Borrower will permit the Issuer, the Collateral Agent and the Trustee, and their respective agents and attorneys, upon prior reasonable notice and at reasonable times, to take copies and extracts from such books, and records, and will from time to time furnish, or cause to be furnished, to the Issuer, the Collateral Agent and the Trustee such information and statements as the Issuer, the Collateral Agent or the Trustee may reasonably request, all as may be reasonably necessary for the purpose of determining performance or observance by the Borrower of its obligations under this Loan Agreement. Nothing in this paragraph shall require the Borrower to disclose trade secrets, violate confidentiality or non-disclosure agreements, violate applicable law or waive attorney-client privilege, or entitle the Issuer, the Collateral Agent or the Trustee to any patient records, protected health information or other information of the Health System the disclosure of which is restricted by HIPAA or other applicable law or by the confidentiality provisions of the ERPA.

(b) The Borrower agrees to promptly furnish to the Collateral Agent notice of any amendments or modifications to the Financing Documents.

Section 6.06 Accounts.

The Borrower shall establish and maintain each fund or account required from time to time by the Financing Documents and shall not maintain or permit to be maintained any other accounts other than (i) accounts used exclusively as payroll and payroll tax accounts, workers' compensation and other employee wage and benefit payment and trust accounts, (ii) any special purpose account which holds only cash or securities collateral that is subject to a Permitted Liens and (iii) as otherwise permitted or contemplated in the Collateral Security Agreement, the Indenture, or the other Financing Documents.

Section 6.07 Compliance with Laws.

The Borrower shall comply with, and shall ensure that the Project is operated in compliance with, all applicable laws and Governmental Approvals, as and when required, except, in each case, for any failure to comply which would not reasonably be expected to have a Material Adverse Effect.

Section 6.08 Tax Covenant.

The Borrower covenants and agrees that it will at all times do and perform all acts and things permitted and as may from time to time be required by law or this Loan Agreement and the Tax Agreement which are necessary in order to assure that interest paid on the Series 2026A Bonds will be excluded from gross income for federal income tax purposes and will take no action that would result in such interest not being so excluded. Without limiting the generality of the foregoing, the Borrower agrees to comply with the provisions of the Tax Agreement. This covenant shall survive payment in full or defeasance of the Series 2026A Bonds.

Section 6.09 Further Assurances and Corrective Instruments.

The Issuer, at the Borrower's expense, and the Borrower agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required for carrying out the expressed intentions of this Loan Agreement and the Indenture, including as may be reasonably necessary or desirable for establishing, maintaining, assuring, conveying, granting, assigning, securing, perfecting and confirming the pledge of the Trust Estate and the lien thereon as set forth in the Indenture and the Liens (whether now existing or hereafter arising) granted by or on behalf of the Borrower to the Collateral Agent for the benefit of the Secured Parties, pursuant to the Security Documents, or intended so to be granted pursuant to the Security Documents, or which the Borrower may become bound to grant, and the subject of each such Lien will comply with the requirements under the Financing Documents and the Borrower's representations and warranties in Section 2.02 hereof. Notwithstanding the foregoing, the Issuer may obtain the advice and consent of Bond Counsel before executing, acknowledging or delivering any such supplements or further instruments.

Section 6.10 Issuer and Borrower Representatives.

Whenever under the provisions of this Loan Agreement the approval of the Issuer or the Borrower is required or the Issuer or the Borrower is required to take some action at the request of

the other, such approval or such request shall be given for the Issuer by an Issuer Representative (subject to the provisions of Section 6.11 of the Indenture) and for the Borrower by a Responsible Officer of the Borrower and the Trustee and the Collateral Agent, as applicable, shall be permitted to conclusively rely on, and shall be protected in acting upon, such approval.

Section 6.11 Recording and Filing; Other Instruments.

The Borrower shall file and refile and record and re-record or shall cause to be filed and re-filed and recorded and re-recorded all instruments required to be filed and re-filed and recorded or re-recorded and shall continue and perfect or cause to be continued and perfected the Liens created by the Indenture and the Security Documents of such instruments for so long as any of the Series 2026 Bonds shall be Outstanding. The Issuer shall, upon the prior written request of the Borrower, and at the Borrower's expense, execute and deliver all instruments and shall furnish all information and evidence deemed necessary or advisable in order to enable the Borrower to fulfill its obligations as provided in this Section 6.11 and the Security Documents; provided, however, that the Issuer may obtain the advice and consent of Bond Counsel before executing, acknowledging or delivering any such instruments.

Section 6.12 Approvals; Governmental Authorizations.

At all times, the Borrower shall obtain on a timely basis and thereafter maintain (or cause to be obtained on a timely basis and thereafter cause to be maintained) in full force and effect, or in the case of such permits as are required to be obtained by third parties, use reasonable efforts to cause such third parties to obtain and thereafter maintain in full force and effect, all Governmental Approvals necessary as and when necessary for the construction, use or operation of the Project, as applicable, or as and when required from and after the Closing Date to comply with its obligations under the Financing Documents, except where the failure to obtain or maintain any such Governmental Approval would not reasonably be expected to have a Material Adverse Effect.

Section 6.13 Expenses.

The Borrower shall pay, reimburse, and indemnify the Issuer and the Trustee against all reasonable fees, costs and charges, including reasonable fees and expenses of attorneys, accountants, consultants and other experts, incurred in good faith (and with respect to the Trustee, without negligence) and arising out of or in connection with the Financing Documents, the Bonds or the Indenture. These obligations and those in Section 7.02 shall remain valid and in effect notwithstanding repayment of the loan hereunder or the Bonds or termination of this Loan Agreement or the Indenture.

Section 6.14 Special Purpose Entity.

The Borrower has observed from its date of formation (except as otherwise specified below) and shall, from and after the Closing Date, comply with the following requirements whereby the Borrower:

(a) (i) has been, is, and will be organized solely for the Permitted Activities; (ii) has not leased, owned or acquired and will not lease, own or acquire any property or assets not currently or formerly used or useful in or currently or formerly intended to be used or useful in, or cash generated by, its Permitted Activities; and (iii) has not entered into and will not enter into any line of business or undertake or participate in activities other than Permitted Activities or terminate such business for any reason whatsoever;

(b) has maintained and will maintain its own separate books, records and bank accounts;

(c) at all times has held itself and will hold itself out to the public and all other Persons as a legal entity separate from any other Person (except for services rendered on behalf of the Borrower under a management, service, operation or maintenance agreement with respect to its Permitted Activities, so long as the applicable party holds itself out as acting as an agent on behalf of the Borrower) and shall not identify itself or any of its Affiliates as a division or department or part of the other;

(d) has filed and will file its own tax returns (except to the extent that the Borrower (i) is treated as a "disregarded entity" for tax purposes and is not required to file tax returns under applicable law or (ii) files a consolidated federal income tax return with another Person as may be permitted by applicable law);

(e) has not commingled and will not commingle its assets or funds with assets or funds of any other Person;

(f) has conducted and will conduct its Permitted Activities in its own name or a trade name registered, licensed to or trademarked (or subject to an application for trademark) by the Borrower (except for services rendered on behalf of the Borrower under a management, service, operation or maintenance agreement with respect to its Permitted Activities, so long as the applicable party holds itself out as acting as an agent on behalf of the Borrower) and has strictly complied and will strictly comply with all organizational formalities necessary to maintain its separate existence;

(g) has either maintained and will maintain financial statements separate from any other Person and has not and will not have its assets listed as assets on the financial statements of any other Person or its financial statements will be maintained as part of the consolidated financial statements of its Affiliates, so long as (i) such consolidated financial statements included or include footnotes to the effect that the Borrower is a separate legal entity and that its assets and credit are not available to satisfy the debts, claims or other obligations of such Affiliates or any other Person, and (ii) the Borrower's assets are, from and after the Closing Date, listed on a separate balance sheet within such consolidated financial statements;

(h) has paid and intends to pay its own liabilities and expenses only out of its own funds and assets (as distinguished from the funds and assets of another Person) (provided that there exists sufficient cash flow available to it from the operation of its Permitted Activities to enable it to do so and, provided further, that no Person shall be required from and after the Closing Date to make any direct or indirect additional capital contributions or loans to the Borrower), or such liabilities and expenses have been allocated to the Borrower for services rendered on behalf of the Borrower;

(i) has maintained and will maintain an arm's length relationship with its Affiliates and, except for (i) capital contributions and capital distributions permitted under the terms and conditions of its Organizational Documents and properly reflected in its books and records and (ii) loans and advances that have been either repaid or discharged (or that will be repaid or discharged as a result of the closing of the Series 2026 Loan on the Closing Date), not enter into any transaction, contract or agreement with any Affiliate, except upon terms and conditions that are commercially reasonable and substantially similar to those that would be available on an arm's-length basis with unaffiliated third parties, in each case, as reasonably determined by the Borrower in good faith;

(j) has paid and intends to pay its own liabilities and expenses, including the salaries of its own employees and consultants, if any, only out of its own funds and assets (as distinguished from the funds and assets of another Person) (provided that there exists sufficient cash flow available to it from the operation of its Permitted Activities to enable it to do so and, provided further, that no Person shall be required from and after the Closing Date to make any direct or indirect additional capital contributions or loans to the Borrower), or such liabilities and expenses have been allocated to the Borrower for services rendered on behalf of the Borrower, and maintain (or contract with a management company for) a sufficient number of employees in light of its contemplated business operation;

(k) has not and will not assume or guarantee or become obligated for the debts or obligations of any other Person and has not and will not hold itself out to be responsible for or hold its credit or assets as being available to satisfy the debts or obligations of any other Person, in each case except for guarantees that have been either released or discharged (or that will be discharged as a result of the closing of the Series 2026 Loan on the Closing Date);

(l) has allocated since the Closing Date and will allocate fairly and reasonably any overhead expenses that are shared with any Affiliate, including shared office space, services, property or assets;

(m) has used and will use, to the extent reasonably necessary in the operation of its Permitted Activities, separate stationery, invoices, and checks bearing its own name or a trade name registered, licensed to or trademarked (or subject to an application for trademark) by the Borrower and not bearing the name of any other entity unless such entity is clearly designated as being the Borrower's agent;

(n) has not pledged and will not pledge its assets or credit for the benefit of any Affiliate, except for pledges made to secure guarantees that have been either released or discharged (or that will be discharged as a result of the closing of the Series 2026 Loan on the Closing Date), and has not and will not incur any Indebtedness from and after the Closing Date other than Permitted Indebtedness;

(o) has corrected and will correct any known misunderstanding regarding its separate identity;

(p) has maintained and intends to maintain adequate capital in light of its contemplated business purpose, transactions, and liabilities, provided that provided that the parties acknowledge that the Borrower's capital consists of the proceeds of the Bonds, amounts on deposit in the Funds and Accounts, its interest in the Project, the Financing Documents and the Material Contract, and the Revenues derived therefrom, and that the same is adequate capital for such purposes, and there exists sufficient cash flow available to it from the operation of its Permitted Activities to enable it to do so and, provided further, that no Person (including the 501(c)(3) Entity) shall be required to make any direct or indirect additional capital contributions or loans to the Borrower;

(q) will keep from and after the Closing Date minutes of meetings of the Board of Managers of the Borrower and has observed and will observe all other formalities necessary to maintain its separate existence, and the Borrower has not failed and will not fail to comply with the provisions of its Organizational Documents as in effect at such time relating to bankruptcy remoteness or separateness, or amend, modify or otherwise change the Organizational Documents of the Borrower in any manner inconsistent with the covenants set forth in this Section 6.14;

(r) has not acquired or held and will not acquire or hold any securities or evidence of indebtedness in any Affiliate or any other Person, other than indebtedness that has been repaid or discharged and Permitted Investments;

(s) has not acquired or held and will not acquire or hold direct ownership interests in any Affiliate or any other Person, other than subsidiaries that have been dissolved, transferred or merged into the Borrower prior to the Closing Date or to the extent permitted pursuant to Section 6.16;

(t) has caused and will cause its managers, officers, agents, and other representatives to act at all times, with respect to the Borrower, consistently and in furtherance of the foregoing and in the best interests of the Borrower;

(u) has not merged into or consolidated with any Person, other than subsidiaries that have been dissolved or merged into the Borrower prior to the Closing Date or to the extent permitted pursuant to Section 6.16, and will not merge into or consolidate with any Person that is not merged into the Borrower to the extent permitted pursuant to Section 6.16, or, to the fullest extent permitted by law, dissolve, terminate, liquidate in whole or in part, transfer or otherwise dispose of all or substantially all of its assets, in each case other than in connection with a transfer permitted pursuant to Section 6.16 of this Loan Agreement, or change its legal structure (which for the avoidance of doubt, shall not be deemed to include changes in the legal structure of any direct or indirect member, partner or Affiliate of the Borrower, including through the addition or removal of entities in the legal structure for the purpose of forming or collapsing a holding entity structure, to the extent such changes are not otherwise prohibited by this Loan Agreement);

(v) has not and will not permit any Affiliate or constituent party independent access to its bank accounts other than through any manager acting pursuant to a management, service, operation or maintenance agreement, solely in its capacity as the Borrower's agent under such agreement, and solely for the legitimate business purposes of the Borrower;

(w) has not maintained and will not maintain its assets in such a manner that it will be costly or difficult to segregate, ascertain or identify its individual assets from those of any other Person;

(x) has not made since the Closing Date and will not make any loans or advances to any Person (other than deposits, prepayments or advances to third parties in the ordinary course of business, including, without limitation, payments to contractors, subcontractors, suppliers or service providers in the ordinary course of business);

(y) except with respect to (i) immaterial obligations guaranteed or indemnified by Affiliates in the ordinary course of business, (ii) construction, completion, performance and similar guarantees (including such guarantees given in connection with performance, bid, appeal, removal and surety bonds) and (iii) non-recourse carve-out guarantees, has not and will not have any of its obligations guaranteed by an Affiliate; and

(z) has not sought, effected or permitted, and to the fullest extent permitted by law, will not seek, effect, or permit any Person to seek or effect, the liquidation, dissolution, winding up, division, liquidation, consolidation or merger, in whole or in part, of the Borrower into another entity or transfer all or substantially all of its assets, and it has not been and will not be the product or subject of, or otherwise involved in, any limited liability company division.

Section 6.15 Organizational Documents.

The Borrower shall comply with the terms and provisions of its Organizational Documents and shall not amend, alter, change or repeal the Special Purpose Provisions [(as defined in the Organizational Documents)] in any material respect adverse to the Issuer or the Collateral Agent, or permit the Special Purpose Provisions to be amended, altered, changed or repealed, in any material respect adverse to the Issuer or the Collateral Agent, in each case, without the prior written consent of the Collateral Agent.

Section 6.16 Limitation on Fundamental Changes; Sale of Assets, Etc.

(a) The Borrower shall maintain its existence as a disregarded entity separate from its owner that is an organization meeting the requirements of Section 501(c)(3) of the Code and shall not merge, consolidate or amalgamate unless the surviving entity is the Borrower and is a disregarded entity with its owner being an organization meeting the requirements of Section 501(c)(3) of the Code, and the Borrower obtains (i) an Opinion of Counsel as to the non-consolidation of the Borrower with any one or more of its Affiliates under a bankruptcy proceeding after giving effect to such transaction, or enter into any demerger, reconstruction, partnership, profit-sharing or any analogous arrangement and (ii) a Favorable Opinion of Bond Counsel with respect to the effect that the proposed merger, consolidation or amalgamation shall have on the Series 2026A Bonds.

(b) The Borrower shall not (i) liquidate, dissolve or wind-up; (ii) convey, sell, lease, assign, transfer or otherwise dispose of all or substantially all of its property, business or assets, or (iii) take any action that would result in the liquidation, dissolution or winding-up of the Borrower.

(c) The Borrower shall not sell, assign or dispose of or direct the Collateral Agent, as applicable, to sell, assign or dispose of, any assets of the Project in excess of $5 million per year except for Permitted Sales and Dispositions.

Any assets sold or otherwise disposed of in a Permitted Sales and Disposition that constitutes a transfer of ownership, shall be sold free and clear of the Lien in favor of the Collateral Agent, which Lien shall be automatically released upon the consummation of such sale or other disposition. The Collateral Agent and the Trustee shall deliver such documents and instruments as the Borrower may request, including any subordination and non-disturbance agreements and reciprocal easement agreements, to evidence such release (or, at the Borrower's request, subordination of the Collateral Agent's Lien), subject to the Collateral Agent and the Trustee receiving an appropriate Borrower certificate confirming that the applicable conditions to the release or subordination have been satisfied and, if reasonably requested, an Opinion of Counsel.

Section 6.17 Limitation on Indebtedness.

The Borrower shall not create, incur or assume any Indebtedness other than Permitted Indebtedness.

Section 6.18 Permitted Investments.

The Borrower shall not make or direct the Trustee or the Collateral Agent to make any investments of moneys credited to any of the Funds or Accounts other than Permitted Investments and under no circumstances shall the Trustee be required to make a determination as to whether an investment is a Permitted Investment; provided that this Section 6.18 shall not prohibit or otherwise restrict the Borrower from (i) making, or directing the Collateral Agent or the Trustee to make, deposits, prepayments or advance payments in the ordinary course of business with funds withdrawn from any Fund or Account, including, without limitation, payments to contractors, subcontractors, vendors, suppliers or service providers in the ordinary course of business, or (ii) acquiring any assets or property used or useful in any Permitted Activity, including by way of merger of any Person holding such assets or property into the Borrower, with funds withdrawn from any Fund or Account, subject to compliance with the applicable requirements of Section 6.03, Section 6.14 and Section 6.16.

Section 6.19 Prohibited Uses.

The Borrower covenants and agrees that no portion of the proceeds of the Bonds will be used to finance or refinance any facility, place or building used or to be used primarily as a place for religious worship or for facilities used for vocational religious training.

Section 6.20 Change in Name, Place of Business or Fiscal Year.

The Borrower shall not, at any time:

(a) change its name, jurisdiction of formation, or principal place of business without giving the Trustee and the Collateral Agent prompt written notice thereof; or

(b) change its Fiscal Year without prior written notice sent to the Trustee and the Collateral Agent at least thirty (30) days prior to such change.

Section 6.21 Negative Pledge.

The Borrower shall not create, incur, assume or permit to exist any Lien on any property or asset, including its revenues (including accounts receivable) or rights in respect of any thereof, now owned or hereafter acquired by it, except Permitted Liens.

Section 6.22 Access to the Project.

The Borrower shall give (or cause to be given) the Trustee, the Collateral Agent, the Issuer and their respective consultants and representatives and, at the request of the Issuer, any agent or employee of the Internal Revenue Service performing an examination of the Series 2026 Bonds, access to the Project, at the sole cost of the Borrower, at any reasonable time during regular business hours and as often as may reasonably be requested, and, upon reasonable prior notice to the Borrower, in each case during official business hours and in a manner that cannot reasonably be expected materially to interfere with or disrupt the performance by the Borrower or any other party of its obligations with respect to the construction and operation of the Project, and permit the Trustee, the Collateral Agent and their respective consultants and representatives to discuss the Project and the business, accounts, operations, properties and financial and other conditions of the Borrower with officers of the Borrower (except patient records and any other materials made private or confidential by federal or applicable State of Rhode Island law or regulation or by court order). All such access to any Project Site shall be subject to, and exercised in compliance with, the Health System's site access, badging, escort, safety, infection control, interim life safety, security and patient privacy policies, as in effect from time to time, and the applicable access provisions of the ERPA, and shall not extend to patient care areas, patient records or protected health information. The Borrower shall offer all reasonable assistance to such Persons in connection with any such visit. Upon the occurrence and during the continuance of a Potential Loan Default Event or a Loan Default Event, if the Trustee or the Collateral Agent requests that any of its consultants or representatives be permitted to make such visit, the reasonable fees and expenses of the Trustee, the Collateral Agent and their respective consultants and representatives in connection with such visit shall be paid by the Borrower at its sole expense. Nothing in this section shall require the Borrower to disclose trade secrets, violate confidentiality or non-disclosure agreements, violate applicable law or waive attorney-client privilege.

Section 6.23 Nationally Recognized Rating Agencies.

(a) For so long as the Health System has a long-term rating on its debt obligations from at least one Nationally Recognized Rating Agency, the Borrower agrees to maintain a rating on the Series 2026 Bonds from at least one Nationally Recognized Rating Agency.

(b) The Borrower shall deliver to the Issuer and the Trustee copies of any reports or ratings on the Series 2026 Bonds or, if applicable, any Additional Parity Bonds, from any Nationally Recognized Rating Agency.

Section 6.24 Continuing Disclosure.

The Borrower hereby covenants and agrees to comply with the continuing disclosure requirements promulgated under Rule 15c2-12, as it may from time to time hereafter be amended or supplemented, in accordance with the provisions of the continuing disclosure undertaking delivered by the Borrower in connection with the issuance of the Series 2026 Bonds. Failure of the Borrower to comply with the requirements of Rule 15c2-12, as amended or supplemented, shall not be a Loan Default Event hereunder. The Borrower acknowledges and agrees that the Issuer shall have no liability with respect to these obligations.

Section 6.25 Material Contracts.

The Borrower will perform all of its obligations and enforce all of its rights under the Material Contracts, except to the extent that failure to perform its obligations or enforce such rights would not reasonably be expected to have a Material Adverse Effect. The Borrower shall not amend, modify or waive in any material respect, or terminate or assign, any Material Contracts to which it is a party if such amendment, modification, waiver, termination or assignment would reasonably be expected to have a Material Adverse Effect as certified by a Responsible Officer of the Borrower. The Borrower agrees to provide a certificate of a Responsible Officer of the Borrower to the Trustee to the effect that any amendment, modification, waiver, termination or assignment of the Material Contract is not reasonably expected to have a Material Adverse Effect prior to executing and delivering such amendment, modification, waiver, termination or assignment. The Borrower will also maintain or cause the other parties to the Material Contracts to maintain rights to all patents, copyrights and intellectual property required for the development, construction and operation of the Project, except for those that the failure to maintain would not reasonably be expected to have a Material Adverse Effect.

Section 6.26 No Distributions.

The Borrower will not declare or pay dividends or make any distributions, except in accordance with the terms and conditions of the Collateral Security Agreement; provided that this restriction shall not be deemed to preclude the Borrower from paying Project costs or Operating Costs.

Section 6.27 Hazardous Material.

The Borrower shall not cause any releases of Hazardous Material at the Project site that would be reasonably likely to result in an environmental claim against the Borrower or the Project, other than those environmental claims that, individually or in the aggregate, would not be reasonably expected to result in a Material Adverse Effect.

Section 6.28 Collateral Assignment of Material Contracts.

The Borrower acknowledges that it has collaterally assigned all of its right, title and interest in and to all Material Contracts to which it is a party to the Collateral Agent pursuant to the Collateral Security Agreement. The Borrower covenants and agrees that, to the extent that it enters into any Material Contracts after the Closing Date, then with respect to such Material Contracts, the Borrower shall use reasonable good faith efforts to require each party to any such Material

Contracts to execute and deliver to the Collateral Agent an acknowledgment of the collateral assignment.

Section 6.29 Management Agreement.

The Borrower shall initially retain Optimum Energy, LLC to perform certain of its obligations under the Material Contracts pursuant to the Management Agreement and shall collaterally assign all of the Borrower's right, title and interest in and to the Management Agreement pursuant to the Collateral Security Agreement. No Person shall be engaged by the Borrower under the Management Agreement (other than Optimum Energy, LLC) unless such Person or a principal officer (or in the case of a limited liability company, manager) thereof shall have at least 5 years of demonstrated experience in the energy related management of health care facilities. In the event any Management Agreement is terminated, the Borrower shall so engage a successor manager on the earliest practicable date, subject to the applicable restrictions ERPA. So long as no Event of Default shall have occurred and be continuing, any successor Management Agreement shall have commercially reasonable terms except to the extent changes from the Management Agreement originally entered into with Optimum Energy, LLC are required to preserve the exclusion of interest on the Bonds (excluding the Taxable Bonds) from gross income for federal income tax purposes, as set forth in a Favorable Opinion of Bond Counsel. From and after the occurrence and continuance of an Event of Default, the Trustee, at the direction of the Required Secured Parties under the Collateral Security Agreement, shall have the right to appoint a successor manager, subject to the Health System's rights under the ERPA. Prior to entering into a contract with any successor manager, the Borrower must first (i) deliver or cause to be delivered a Favorable Opinion of Bond Counsel regarding the proposed Management Agreement to the Trustee (ii) deliver or cause to be delivered to the Trustee a certificate of the proposed successor manager stating that it has reviewed, understands, and will comply with the restrictions contained in this Loan Agreement, and (iii) deliver to the Health System a certificate of the proposed successor manager agreeing to be bound by the operator qualification, safety, infection control, interim life safety, security and patient privacy obligations applicable to Developer Persons under the ERPA.

ARTICLE VII
ASSIGNMENT; INDEMNIFICATION

Section 7.01 Assignment.

Except as expressly contemplated herein, in the Indenture and in the Security Documents, neither the Borrower nor the Issuer may assign its interest in this Loan Agreement. In the event of any permitted assignment of its interest in this Loan Agreement by the Issuer, the Issuer (solely for this purpose as a non-fiduciary agent on behalf of the Borrower) shall maintain or cause to be maintained a register for interests in this Loan Agreement in which it shall register the issuance and transfer of such interests. All transfers of such interests shall be recorded on the register maintained by the Issuer or its agent, the register shall be conclusive absent manifest error, and the parties hereto shall regard the registered holder of such interests as the actual owner thereof for all purposes. To the extent that a particular permitted assignment by the Issuer is expressly identified in this Loan Agreement or the Indenture, as the same may be amended, respectively, this Loan Agreement or the Indenture may constitute a register for the purposes of this Section 7.01. If the Health System exercises a Borrower Substitution Option, then on the Borrower Substitution Date (a) the Borrower shall assign to the Health System, and the Health System shall assume, all of the Borrower's rights, duties and obligations under this Loan Agreement, and the Borrower shall be released from all of its rights, duties and obligations under this Loan Agreement, and (b) the Trustee, as assignee of the Issuer and pursuant to Section 10.1 of the Indenture, and the Health System as the substitute Borrower, without the consent of the Owners, shall enter into an Amended and Restated Loan Agreement that gives effect to the Borrower Substitution as provided in Section 13.20(b) of the Indenture. For the avoidance of doubt, the Borrower Substitution Option may be exercised by the Health System in accordance with the ERPA and the Financing Documents without the consent of the Borrower, Optimum Energy, LLC, any manager or any Owner; the assignment, assumption and release described in clause (a) in the preceding sentence shall occur automatically on the Borrower Substitution Date; and the Borrower shall promptly execute and deliver all instruments, consents, releases and other documents reasonably requested by the Health System to give effect to the Borrower Substitution.

Section 7.02 Release and Indemnification Covenants.

(a) To the fullest extent permitted by law, the Borrower, but not in any case the 501(c)(3) Entity or its trustees, managers, officers, directors, employees and agents, agrees to indemnify, hold harmless and defend the Issuer, the Trustee, and each of their respective past, present and future officers, directors, officials, employees, attorneys and agents (collectively, the "Indemnified Parties"), against any and all losses, damages, claims, actions, liabilities, costs, suits or proceedings at law or in equity and expenses, fees or charges of any conceivable nature, kind or character (including, without limitation, reasonable attorneys' fees, litigation and court costs, amounts paid in settlement, the costs of enforcement of this Loan Agreement or any provision hereof and amounts paid to discharge judgments) to which the Indemnified Parties, or any of them, may become subject under or any statutory law (including federal or state securities laws) or at common law or otherwise, arising out of or based upon or in any way relating to:

(i) the Bonds, the Indenture, the Financing Documents or the Tax Agreement or the execution or amendment hereof or thereof or in connection with transactions contemplated hereby or thereby, including the issuance, sale or resale of the Bonds;

(ii) any act or omission of the Borrower or any of its agents, contractors, servants, employees, tenants or licensees in connection with the Project or the facilities to be financed with the proceeds of the Bonds, the operation of the Project or such facilities, or the condition, environmental or otherwise, occupancy, use, possession, conduct or management of work done in or about, or from the planning, design, acquisition, installation or construction of, the Project or such facilities or any part thereof;

(iii) any lien or charge upon payments by the Borrower to the Issuer and the Trustee hereunder, or any taxes (including, without limitation, all ad valorem taxes and sales taxes), assessments, impositions and other charges imposed on the Issuer or the Trustee in respect of any portion of the Project or the facilities to be financed with the proceeds of the Bonds;

(iv) any violation of any laws with respect to, or the release of any Hazardous Material from, the Project or the facilities to be financed with the proceeds of the Bonds or any part thereof;

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

(vi) any untrue statement or misleading statement or alleged untrue statement or alleged misleading statement of a material fact contained in any offering statement or disclosure or continuing disclosure document for the Bonds or any of the documents relating to the Bonds, or any omission or alleged omission from any offering statement or disclosure or continuing disclosure document for the Bonds of any material fact necessary to be stated therein in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading;

(vii) any declaration of taxability of interest on the Series 2026A Bonds, or allegations that interest on the Series 2026A Bonds is taxable or any regulatory audit or inquiry regarding whether interest on the Series 2026A Bonds is taxable; or

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

(b) The rights of any persons to indemnity hereunder and rights to payment of fees and reimbursement of expenses pursuant to Section 6.13, this Section 7.02 and Section 8.06 shall survive the final payment or defeasance of the Bonds and in the case of the Trustee any resignation or removal. The provisions of this Section shall survive the termination of this Loan Agreement.

ARTICLE VIII
LOAN DEFAULT EVENTS AND REMEDIES

Section 8.01 Loan Default Events Defined.

Any one or more of the following events shall constitute “Loan Default Events” under this Loan Agreement:

(a) Failure by the Borrower to pay any amount required to be paid under Section 4.01(a) hereof (or under any Additional Parity Bonds Loan Agreement with respect to debt service on any Additional Parity Bonds Loan) and, solely in the case of any such failure to pay interest, such failure is not remedied within five (5) Business Days after the applicable due date; or failure by the Borrower to pay any other amount required to be paid hereunder (or under any Additional Parity Bonds Loan Agreement), which failure is not remedied within ten (10) days after notice in writing thereof is given by the Issuer or the Trustee to the Borrower;

(b) Failure by the Borrower to observe and perform in any material respect any covenant, condition or agreement on its part to be observed or performed under this Loan Agreement, the Indenture or any other Financing Document, other than as covered by another provision of this Section 8.01 and other than failure to observe or perform the covenants set forth in Section 6.24 and the Borrower Continuing Disclosure Agreement, and such non-compliance shall remain unremedied for a period of sixty (60) days after the earlier of (1) written notice specifying such failure shall have been given to the Trustee by the Borrower, or (2) written notice specifying such failure and requesting that it be remedied shall have been given to the Borrower by the Trustee or the Issuer, or such longer period as is reasonably necessary under the circumstances to remedy such failure, such extension not to exceed one hundred twenty (120) days without prior written approval by the Trustee acting at the direction of the Majority Holders delivered by the Trustee pursuant to Section 10.3 of the Indenture;

(c) The occurrence of a Bankruptcy Event with respect to the Borrower or the Health System;

(d) Any of the representations, warranties or certifications of the Borrower made in or delivered pursuant to any Financing Document, including this Loan Agreement, shall prove to have been incorrect when made and a Material Adverse Effect would reasonably be expected to result therefrom, unless such misrepresentation is capable of being cured and is cured within thirty (30) days after the Borrower’s receipt of written notice from the Trustee of such misrepresentation;

(e) An “Event of Default” occurs under Section 7.1(a) or 7.1(b) of the Indenture or any payment default occurs under any agreement or instrument involving any other Secured Obligations (after giving effect to any applicable grace periods and any extensions thereof);

(f) An “Event of Default” occurs under Section 7.1 of the Indenture or an event of default occurs under any agreement or instrument governing any other Secured Obligation, in each case other than as described in clause (e) immediately above, beyond the grace period, if any, provided, but only where such Event of Default under Section 7.1 of the Indenture results in an acceleration of the Series 2026 Bonds then Outstanding under the Indenture or such event of

default in respect of other Senior Indebtedness results in the holder or holders of such other Senior Indebtedness causing such Senior Indebtedness to become due prior to its stated maturity;

(g) A non-appealable final judgment (to the extent such judgment is not paid or covered by insurance), which judgment in combination with all other such judgments is for an amount in excess of $1,000,000 (such amount to be adjusted annually by the increase in the Consumer Price Index from the prior year), shall have been entered against the Borrower and, in the event such judgment is not covered by insurance, the same shall remain unsatisfied without any procurement of a stay of execution for a period of sixty (60) consecutive days after such judgment has become final;

(h) Any Security Document, upon and after execution thereof, ceases, except in accordance with its terms or as expressly permitted under the Financing Documents, to be effective to grant a perfected Lien on any portion of the Collateral, other than as a result of actions or failure to act by the Trustee, the Collateral Agent or any other Secured Party;

(i) The Borrower fails to comply with its obligations under Section 6.02;

(j) Any Financing Document to which the Borrower is a party ceases to be in effect or ceases to be the legally valid, binding and enforceable obligation of the Borrower (other than (1) in accordance with the terms thereof, (2) in the event a direct agreement with respect to a Material Contract ceases to be in effect as a result of a replacement of a contract counterparty or (3) in connection with a Borrower Substitution);

(k) The ERPA ceases to be valid and binding and in full force and effect (other than as a result of its expiration, any Borrower Substitution or any termination of the ERPA) and such invalidity has not been remedied within 15 days after written notice thereof to the Borrower and the Health System;

(l) Any Material Contract (other than the ERPA) ceases to be valid and binding and in full force and effect during the effective period of such contract, and such event or circumstance would reasonably be expected to have a Material Adverse Effect; or

(m) The occurrence and continuance of any “Health System Default” or “Developer Default” as defined in the ERPA.

Section 8.02 Remedies on Loan Default Event.

Whenever any Loan Default Event hereunder shall have occurred and be continuing, and subject in all respects to the terms and conditions of the Collateral Security Agreement, the Trustee shall have the right to, in conjunction with its available remedies under the Indenture, take one or any combination of the following remedial steps, by notice to the Borrower and the Collateral Agent:

(a) Declare that all or any part of any amount outstanding under this Loan Agreement is (1) immediately due and payable, and/or (2) payable on demand by the Trustee, and any such notice shall take effect in accordance with its terms but only if all amounts payable with respect to the Outstanding Bonds are being accelerated pursuant to Section 7.2(c) of the Indenture, or if all of the Outstanding Bonds are being defeased pursuant to Article XI of the Indenture or otherwise paid in full; provided that, upon the occurrence of a Loan Default Event under Section 8.01(c), all principal of, and accrued interest on the Series 2026 Loan or any Additional Parity Bonds Loan shall be immediately due and payable without any presentment, demand or notice from any Person;

(b) Pursuant to the terms of any Security Document, direct the Collateral Agent or other applicable Secured Party to take or cause to be taken any and all actions necessary to implement any available remedies with respect to the Collateral under any of the Security Documents;

(c) Have reasonable access to and inspect, examine and make copies of the books and records and any and all accounts, data and income tax and other tax returns of the Borrower during regular business hours of the Borrower and following prior reasonable notice; or

(d) Take on behalf of the Owners whatever other action at law or in equity as may appear necessary or desirable to collect the amounts then due and thereafter to become due, or to enforce performance and observance of any obligations, agreement or covenant of the Borrower under this Loan Agreement or the rights of the Owners.

Any amounts collected pursuant to action taken under this Section and the Security Documents paid to the Trustee shall be applied in accordance with Section 7.3 of the Indenture.

Any rights and remedies as are given to the Issuer under this Loan Agreement will also extend to the Owners of the Bonds, and the Trustee, subject to the provisions of the Indenture, will be entitled to the benefit of all covenants and agreements contained in this Loan Agreement, subject to the terms of the Security Documents.

Whenever the Borrower shall have breached an obligation with respect to the Reserved Rights and such breach constitutes a Loan Default Event hereunder, the Issuer may exercise any action in law or equity as may be necessary or desirable to collect the amounts due thereby or to compel performance thereof, other than actions that are reserved for the Trustee pursuant to clauses (a) and (b) of this Section 8.02.

In case proceedings shall be pending for the bankruptcy or for the reorganization of the Borrower under the federal bankruptcy laws or any other applicable law, or in case a receiver or trustee shall have been appointed for the property of the Borrower or in the case of any other similar judicial proceedings relative to the Borrower, or the creditors or property of the Borrower, then the Trustee shall be entitled and empowered, by intervention in such proceedings or otherwise, to file and prove a claim or claims for the whole amount owing and unpaid pursuant to this Loan Agreement and, in case of any judicial proceedings, to file such proofs of claim and other papers or documents as may be necessary or advisable in order to have the claims of the Trustee allowed in such judicial proceedings relative to the Borrower, its creditors or its property, and to collect and receive any moneys or other property payable or deliverable on any such claims, and to distribute such amounts as provided in the Indenture after the deduction of its reasonable charges and expenses to the extent permitted by the Indenture. Any receiver, assignee or trustee in bankruptcy or reorganization is hereby authorized to make such payments to the Trustee, and to

pay to the Trustee any amount due it for reasonable compensation and expenses, including reasonable expenses and fees of counsel incurred by it up to the date of such distribution.

Section 8.03 [Reserved].

Section 8.04 Rescission and Waiver.

(a) The Trustee shall rescind any acceleration and its consequences immediately after the acceleration of the Bonds has been rescinded in accordance with the Indenture.

(b) The Trustee shall waive any Loan Default Event promptly after any such Event of Default has been waived in accordance with the Indenture.

(c) The Trustee shall have the right to, but shall be under no obligation to (except with respect to clauses (a) and (b) of this Section 8.04), waive any other Loan Default Event at any time.

(d) In case of any such waiver or rescission, then and in every such case the Issuer, the Trustee and the Borrower shall be restored to their former positions and rights, but no such waiver shall extend to any subsequent or other Loan Default Event, or impair any right consequent thereon.

Section 8.05 No Remedy Exclusive.

Subject to Section 7.2 of the Indenture, no remedy hereunder is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Loan Agreement or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any Loan Default Event shall impair any such right or power or shall be construed to be a waiver thereof, but any such right or power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Issuer or the Trustee to exercise any remedy reserved to it in this Article, it shall not be necessary to give any notice, other than such notice as may be required by law or in this Article. Any such rights and remedies as are given to the Issuer hereunder (except for the Reserved Rights) shall also extend to the Owners of the Bonds, and the Trustee, subject to the provisions of the Indenture, shall be entitled to the benefit of all covenants and agreements herein contained, subject to the terms of the Security Documents.

Section 8.06 Agreement to Pay Attorneys' Fees and Expenses.

Following the occurrence and during the continuance of a Loan Default Event, if the Issuer shall employ attorneys or financial advisors or incur other expenses for the collection of payments required hereunder or the enforcement of performance or observance of any obligation or agreement on the part of the Borrower herein contained, the Borrower agrees that it will within thirty (30) days of request therefor pay to the Issuer the reasonable fees of such attorneys and such other reasonable and documented expenses so incurred by the Issuer in connection with the same. This Section shall continue in full force and effect, notwithstanding the full payment of all obligations under this Loan Agreement or the termination of this Loan Agreement for any reason.

Following the occurrence and during the continuance of a Loan Default Event, the Trustee may, at the Borrower's reasonable and documented costs and expense, employ or retain such counsel, accountants, appraisers or other experts or advisers as it may reasonably require for the purpose of determining and discharging its rights and duties hereunder and, in the absence of the Trustee's gross negligence or willful misconduct in employing or retaining any such counsel, accountants, appraisers, experts or advisors, may act and conclusively rely and shall be protected in acting and conclusively relying in good faith on the opinion or advice of or information obtained from any counsel, accountant, appraiser or other expert or advisor, whether retained or employed by the Borrower or by the Trustee, in relation to any matter arising in the administration hereof, and shall not be responsible for any act or omission on the part of any of them. In addition, the Trustee shall not be liable for any acts or omissions of its nominees, correspondents, designees, agents, subagents, employees, attorneys, or subcustodians appointed with due care.

Section 8.07 No Additional Waiver Implied by One Waiver.

In the event any agreement contained in this Loan Agreement should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

ARTICLE IX
MISCELLANEOUS

Section 9.01 Term of Agreement.

Except to the extent otherwise provided herein, this Loan Agreement shall be effective upon its execution and delivery and shall expire at such time as all of the Bonds and the fees and expenses of the Issuer and the Trustee shall have been fully paid or provision made for such payments, whichever is later; provided, however, that this Loan Agreement (or any Additional Parity Bonds Loan Agreement) may be terminated prior to such date pursuant to Article V of this Loan Agreement (or pursuant to the prepayment and redemption provisions of any such Additional Parity Bonds Loan Agreement) and Article XI of the Indenture, but in no event before all of the obligations and duties of the Borrower hereunder (or under any Additional Parity Bonds Loan Agreement, as the case may be) have been fully performed, including, without limitation, the payments of all costs and fees mandated hereunder or under any other Financing Document to which the Borrower is a party; provided further, however, that the indemnity obligation of the Borrower under Section 7.02 (and under any Additional Parity Bonds Loan Agreement) and the payment obligations of the Borrower under Section 4.01(b) hereof (and corresponding provisions of any Additional Parity Bonds Loan Agreement) shall survive the termination of this Loan Agreement and any Additional Parity Bonds Loan Agreement.

Section 9.02 Notices.

All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when delivered or mailed by registered or certified mail, postage prepaid, addressed as follows:

Issuer:	Rhode Island Health and Educational Building Corporation 33 Broad Street, Suite 200, Providence, Rhode Island 02903 Attention: Executive Director Email:
Trustee/Collateral Agent:	Argent Trust Company 4224 Bluebonnet Blvd, Suite A Baton Rouge, LA 70809 Telephone: 225-416-6261 Email: jshiroda@argentfinancial.com
Borrower:	Madrone – South County Hospital EaaS I, LLC c/o Madrone Health Foundation 2081 Center Street Berkeley, California 94704 Attention: President Email: notice@madrone.org

A duplicate copy of each notice, certificate or other communication given hereunder by the Issuer or the Borrower shall also be given to the Trustee. The Issuer, the Borrower and the Trustee may, by written notice given hereunder, designate any further or different addresses to which subsequent notices, certificates or other communications shall each be sent.

Section 9.03 Binding Effect.

This Loan Agreement shall inure to the benefit of and shall be binding upon the Issuer, the Borrower, the Trustee and the Owners of Series 2026 Bonds, and their respective successors or assigns, subject, however, to the limitations contained herein.

Section 9.04 Severability.

In the event any provision of this Loan Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 9.05 Amendments, Changes and Modifications.

Subsequent to the issuance of Series 2026 Bonds and prior to their payment in full (or provision for the payment thereof having been made in accordance with the provisions of the Indenture), and except as otherwise herein expressly provided, this Loan Agreement may not be effectively amended, changed, modified, altered or terminated except in accordance with the provisions of the Indenture.

Section 9.06 Execution in Counterparts.

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

Section 9.09 Choice of Law and Venue; Sealed Instrument.

This Loan Agreement and the Bonds are contracts made under the laws of the State and shall be governed by and construed in accordance with the Constitution and laws applicable to contracts made and performed in the State. This Loan Agreement and the Bonds shall be enforceable in the State, and any action arising out of this Loan Agreement or the Bonds shall be filed and maintained in the Superior Court of the State of Rhode Island sitting in and for Providence County, unless the Issuer waives this requirement. It is intended that this Loan Agreement shall have the effect of a sealed instrument.

Section 9.10 Captions.

The captions and headings in this Loan Agreement are for convenience only and in no way define, limit or describe the scope or intent of any provisions or Sections of this Loan Agreement.

Section 9.11 Limitation of Liability.

(a) No director, member, officer, agent or employee of the Issuer or any director, officer, agent or employee of the Borrower shall be individually or personally liable for the payment of any principal of, or interest on, the Bonds or any other sum hereunder or be subject to any personal liability or accountability by reason of the execution and delivery of this Loan Agreement, but nothing herein contained shall relieve any such member, director, officer, agent or employee from the performance of any official duty provided by law or by this Loan Agreement.

(b) Except as otherwise expressly set forth in the Financing Documents, the Secured Parties will have full recourse to the Borrower and all of its assets and properties for the liabilities and obligations of the Borrower under the Financing Documents, but in no event will any Affiliates of the Borrower, or any officer, director, member or holder of any interest in the Borrower or any Affiliates of the Borrower, be liable or obligated for such liabilities and obligations of the Borrower.

(c) In the exercise of the powers of the Borrower by the 501(c)(3) Entity, and its trustees, managers, officers, directors, employees and agents under any Financing Document, such Persons (other than the Borrower) shall not be personally accountable or liable to the Issuer or the Trustee (i) for any actions taken or omitted by the 501(c)(3) Entity, its trustees, managers, officers, directors, employees, or agents in good faith and believed by it or them to be authorized or within their discretion or rights or powers conferred upon them, or (ii) for any claims based on this Loan Agreement against any officer, trustee, manager, director, employee or agent of the Corporation in such Person's personal capacity, all such liability, if any, being expressly waived by the Issuer and the Trustee by the Authority's execution of this Loan Agreement.

(d) Notwithstanding anything herein to the contrary, the liability of the Borrower hereunder and each obligation of the Borrower, including its indemnity obligations and

reimbursement obligations, under this Loan Agreement and any other Financing Document shall be limited to the funds available under the Financing Documents, and from no other Person. No assets of the 501(c)(3) Entity shall be subject to or liable for the Borrower's obligations hereunder or under any other Financing Documents, and the 501(c)(3) Entity shall have no obligation to contribute funds to the Borrower to pay any costs, expenses, obligations or liabilities of the Borrower hereunder or under any other Financing Document. None of the Issuer or the Trustee shall seek to obtain payment from any Person that owns the membership interest in or controls the Borrower, including the 501(c)(3) Entity, or from any assets of the 501(c)(3) Entity. The provisions contained in this subsection are not intended to, and shall not, limit any right that the Issuer or the Trustee might otherwise have to obtain injunctive relief against the Borrower or relief in any suit or action in connection with enforcement or collection of amounts that may become owning or payable under or on account of insurance maintained by the Borrower.

(e) Notwithstanding anything in subsections (b) or (d) of this Section, nothing in said subsections (b) or (d) shall limit or affect or be construed to limit or affect the obligations and liabilities the Borrower arising from any liability pursuant to any applicable law for such Affiliate of the Borrower's fraudulent actions, bad faith or willful misconduct.

(f) Notwithstanding anything in subsections (c) or (d) of this Section, nothing in said subsections (c) or (d) shall limit or affect or be construed to limit or affect the obligations and liabilities of the 501(c)(3) Entity arising from any Financing Document to which the 501(c)(3) Entity is a party.

(g) Except for such claims or actions arising directly from the bad faith or willful misconduct of the Issuer, the Issuer shall not be liable to any Person for any environmental claims or contribution actions under any federal, state or local law, rule or regulation by reason of the Issuer's actions and conduct as authorized, empowered and directed hereunder or relating to the discharge, release or threatened release of hazardous materials into the environment.

(h) The Trustee shall have and be protected by all of the rights, powers, indemnities, privileges, immunities and other protections provided to the Trustee under the Indenture which are hereby incorporated herein by reference.

(i) The provisions of this Section will survive the termination of this Loan Agreement notwithstanding any enforcement or exercise by the Issuer or the Trustee of any rights or remedies for an Event of Default, including foreclosure under any Security Document, and whether or not the purchaser in any such foreclosure shall be the Issuer or the Trustee.

Section 9.12 Parties Interested Herein.

Except as otherwise expressly provided in this Loan Agreement, this Loan Agreement shall be for the sole and exclusive benefit of the Issuer and the Borrower, and their respective successors or assigns. Nothing in this Loan Agreement expressed or implied is intended or shall be construed to confer upon, or to give to, any Person other than the Issuer and the Borrower, any right, remedy or claim, legal or equitable, under or by reason of this Loan Agreement or any terms hereof. To the extent that this Loan Agreement or the Indenture confers upon or gives or grants to the

Collateral Agent, the Trustee or the Owners any right, remedy or claim under or by reason of this Loan Agreement or the Indenture, the Collateral Agent, the Trustee and the Owners are hereby explicitly recognized as being third-party beneficiaries hereunder and may enforce any such right, remedy or claim conferred, given or granted hereunder or under the Indenture.

Section 9.13 Usury.

It is the intention of the parties hereto to comply with any applicable usury laws; accordingly, it is agreed that, notwithstanding any provisions to the contrary in this Loan Agreement or the Bonds, in no event shall this Loan Agreement or the Bonds require the payment or permit the collection of interest or any amount in the nature of interest or expenses in excess of the maximum amount permitted by applicable law.

IN WITNESS WHEREOF, the parties hereto have caused this Loan Agreement to be executed under seal in their respective corporate names all as of the date first above written.

RHODE ISLAND HEALTH AND EDUCATIONAL BUILDING CORPORATION

By: ______________________________
Authorized Signatory

MADRONE – SOUTH COUNTY HOSPITAL EAAS I, LLC, a Rhode Island limited liability company

By: MADRONE HEALTH FOUNDATION, a California nonprofit public benefit corporation, its Sole Member

____
Name: Richard Nicholas Waugh
Title: President

APPENDIX G

FORM OF COLLATERAL SECURITY AGREEMENT

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COLLATERAL SECURITY AGREEMENT

BETWEEN

MADRONE – SOUTH COUNTY HOSPITAL EAAS I, LLC,
AS THE BORROWER

ARGENT TRUST COMPANY,
AS THE TRUSTEE

ARGENT TRUST COMPANY,
AS THE COLLATERAL AGENT

AND

ARGENT TRUST COMPANY,
AS THE SECURITIES INTERMEDIARY

DATED AS OF SEPTEMBER 1, 2026

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COLLATERAL SECURITY AGREEMENT

This COLLATERAL SECURITY AGREEMENT (as amended, supplemented or otherwise modified from time to time, this "*Agreement*"), dated as of _______, 2026, is made by and among MADRONE – SOUTH COUNTY HOSPITAL EAAS I, LLC, a Rhode Island limited liability company (together with its successors or assigns, the "*Borrower*"), ARGENT TRUST COMPANY, a trust company organized and existing under and by virtue of the laws of the State of Tennessee in its capacity as trustee on behalf of the owners of the Bonds (as defined herein) pursuant to the hereinafter defined Indenture (in such capacity and together with any successor trustee duly appointed under the Indenture, the "*Trustee*"), ARGENT TRUST COMPANY, in its capacity as collateral agent (together with its successors or assigns and any co-collateral agents in such capacity, the "*Collateral Agent*"), and ARGENT TRUST COMPANY, in its capacity as securities intermediary. All capitalized but undefined terms in the recitals shall have the meanings in Section 1.1 hereof.

W I T N E S S E T H:

WHEREAS, the South County Hospital Healthcare System, a Rhode Island nonprofit corporation (the "*Health System*") and the Borrower have entered into an Energy Resilience & Performance Agreement dated as of September 1, 2026 (the "*Energy Resilience & Performance Agreement*" or "*ERPA*") whereby the Health System has granted to the Borrower the exclusive thirty (30) year right for the Borrower to improve, finance, operate, maintain and monetize the Energy Assets at the Project Sites as provided therein;

WHEREAS, the Borrower has agreed to convey the Concession Fee to the Health System on the Effective Date via wire transfer pursuant to the terms of and as consideration for the Energy Resilience & Performance Agreement;

WHEREAS, pursuant to that certain Indenture of Trust, dated as of September 1, 2026 (as amended, supplemented or otherwise modified from time to time, the "*Indenture*"), between the Rhode Island Health and Educational Building Corporation (together with its successors or assigns, the "*Issuer*") and the Trustee, the Issuer has issued $________ aggregate principal amount of Rhode Island Health and Educational Building Corporation Revenue Bonds (Madrone – South County Hospital EaaS I, LLC) Series 2026A Bonds (the "*Series 2026A Tax-Exempt Bonds*"), and $_________ aggregate principal amount of the Rhode Island Health and Educational Building Corporation Revenue Bonds (Madrone – South County Hospital EaaS I, LLC) Taxable Series 2026B Bonds (the "*Series 2026B Taxable Bonds*" and together with the Series 2026A Tax-Exempt Bonds, the "*Bonds*"), the proceeds from the sale of which were loaned to the Borrower pursuant to the terms of a Loan Agreement, dated as of September 1, 2026, between the Issuer and the Borrower (as amended, supplemented or otherwise modified from time to time, the "*Loan Agreement*"), to fund the "*Financing Purposes*" (as defined in the Indenture);

WHEREAS, to secure its obligations under the Loan Agreement and the other Financing Documents and as a condition precedent to the issuance of the Bonds under the Indenture, the Borrower shall execute and deliver this Agreement, pursuant to which the Borrower will grant a Lien in favor of the Collateral Agent for the benefit of the Secured Parties over all of its rights, title and interest in the Collateral to secure the Secured Obligations as provided herein;

WHEREAS, the Secured Parties desire to appoint the Collateral Agent as their agent with respect to the Collateral and for all other purposes specifically provided for herein; and

WHEREAS, the Secured Parties and the Collateral Agent desire to agree upon the priorities for the application of any proceeds of the Collateral and to agree upon various other matters with respect to their respective agreements with the Borrower and their rights thereunder;

NOW, THEREFORE, in consideration of the mutual agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Borrower agrees with the Collateral Agent, on behalf of the Secured Parties as follows:

ARTICLE I

DEFINITIONS; INTERPRETATION OF AGREEMENT

Section 1.1 Definitions of Certain Terms. All capitalized terms used herein but not otherwise defined herein shall have the respective meanings given to them in Exhibit A to this Agreement, or if not defined herein, shall have the respective meanings given to them in the Indenture.

Section 1.2 Section Headings and Table of Contents; Construction.

(a) Section Headings and Table of Contents, etc. The titles of the Sections of this Agreement and the Table of Contents of this Agreement appear as a matter of convenience only, do not constitute a part hereof and shall not affect the construction hereof. The words "*herein,*" "*hereof,*" "*hereunder*" and "*hereto*" refer to this Agreement as a whole and not to any particular Section or other subdivision. References to Sections are, unless otherwise specified, references to Sections of this Agreement.

(b) Construction. Each covenant contained herein shall be construed (absent an express contrary provision herein) as being independent of each other covenant contained herein, and compliance with any one covenant shall not (absent such an express contrary provision) be deemed to excuse compliance with one or more other covenants.

ARTICLE II

SECURITY INTEREST

Section 2.1 Grant of Security Interest. (a) To secure the full and punctual payment and performance when due, whether at stated maturity, by acceleration or otherwise, of (i) any and all principal, interest (including any default interest and whether arising before or after the filing of a petition in bankruptcy and whether or not allowed), Make-Whole Amount, indemnity obligations, fees and other indebtedness, obligations and liabilities of the Borrower to the Secured Parties due and owing with respect to the Bonds issued from time to time under the Loan Agreement and the other Financing Documents, in each case whether now existing or hereafter arising (and whether arising before or after the filing of a petition in bankruptcy and whether or not allowed), due or to become due, direct or indirect, absolute or contingent, and howsoever evidenced, held or acquired, (ii) payment and performance of all obligations of the Borrower under the Financing Documents to which it is a party (including all obligations relating to Additional Senior Secured Indebtedness), together with all advances, payments or other expenditures made by any Secured Party or for the payment or performance of any such obligations of the Borrower under and pursuant to the Financing Documents (including all obligations relating to Additional Senior Secured Indebtedness), and (iii) any and all expenses and charges, legal or otherwise, suffered or incurred by any Secured Party as provided herein in collecting or enforcing any of such indebtedness, obligations and liabilities or in realizing on or protecting or preserving the Collateral (all such principal, interest (including default interest), indebtedness, obligations, liabilities, expenses and charges described in clauses (i) through (iii), inclusive, but without duplication, together with any modifications, extensions or renewals thereof is being referred to herein as the "*Secured Obligations*"), the Borrower does hereby grant to the Collateral Agent, on behalf of the Secured Parties, a security interest in all of the following in which the Borrower has rights or the power to transfer rights, whether the Borrower now has such rights or such power or obtains such rights or such power in the future (collectively herein referred to as the "*Collateral*"): all accounts, chattel paper, commercial tort claims, deposit accounts, documents, general intangibles, goods, instruments, investment property, letter-of-credit rights, letters of credit, money, and oil, gas, and other minerals, and all proceeds of the foregoing.

(b) For the avoidance of doubt and notwithstanding any other provision of this Agreement, the Concession Fee paid to and received by the Health System pursuant to the Energy Resilience & Performance Agreement and any other amounts paid to and received by the Health System in accordance with the terms of the Energy Resilience & Performance Agreement shall not be Collateral and shall be free and clear from any Lien granted to the Collateral Agent or any of the other Secured Parties pursuant to this Agreement, and thereafter, such Concession Fee and such other amounts and any proceeds thereof may not be recalled by the Borrower, the Collateral Agent or any other Secured Party. If at any time there are deposited into any Account funds that do not constitute Project Revenues, Termination Fees, Monthly Refinancing Payments, Replenishment Payments or other Collateral or amounts required to be deposited into an Account under this Agreement or the other Financing Documents, but rather represent funds of, or proceeds of property owned by, the Health System, then upon written notice from the Health System and the Borrower to the Collateral Agent identifying such funds in reasonable detail, the Collateral Agent shall release and pay over such funds to the Health System.

Section 2.2 Agreements Regarding Collateral. (a) It is expressly acknowledged and agreed that anything herein contained to the contrary notwithstanding, the Borrower shall remain liable under each of the Financing Documents and the Material Contracts to which it is a party and any Governmental Approval to perform all of its respective obligations thereunder, all in accordance with and pursuant to the terms and provisions thereof, and the Collateral Agent shall have no obligation or liability under any of the Financing Documents or the Material Contracts to which the Borrower is a party or any Governmental Approval by reason of or arising out of this assignment nor shall the Collateral Agent be required or obligated in any manner to perform or fulfill any obligations of the Borrower thereunder or to make any payment, or to make any inquiry as to the nature or sufficiency of any payment received by it, or present or file any claim, or take any action to collect or enforce the payment of any amounts that may have been assigned to it or to which it may be entitled at any time or times.

(b) Notwithstanding the foregoing, unless prohibited by the terms of any Material Contract, Governmental Approval or any Financing Document (taking into account any consent relating to such Material Contract, Governmental Approval or Financing Document), if any default by the Borrower under any of the Material Contracts or any Financing Document to which it is a party or any Governmental Approval occurs and is continuing, the Collateral Agent (acting at the direction of the Required Secured Parties) may, at its option (but shall not be obligated to) and subject to the terms of such Material Contracts or Financing Documents, remedy any such default, in which event it shall give prior written notice of its intent to do so to the Borrower, the Health System and to the other parties to such Material Contract, Financing Document or Governmental Approval; *provided, however,* that neither the giving of such notice nor any efforts by any Secured Party to remedy any such default shall act to prevent or otherwise impair the Borrower's right to remedy such default. Any curing by any Secured Party of any such failure or default shall not be construed as an assumption by any Secured Party of any obligations, covenants or agreements of the Borrower under such Material Contracts, Financing Documents or Governmental Approval, neither the Collateral Agent nor any Secured Party shall incur any liability to the Borrower or any other Person as a result of any actions undertaken by any Secured Party in curing or attempting to cure any such failure or default, absent gross negligence or willful misconduct on the part of the Secured Party. This Agreement shall not be deemed to release or to affect in any way the obligations of the Borrower under the Material Contracts, Financing Documents or Governmental Approval.

(c) For so long as this Agreement is in effect, following the occurrence and during the continuance of an Event of Default, the Borrower does hereby constitute the Collateral Agent the true and lawful attorney of the Borrower, irrevocably, with full power of substitution (in the name of the Borrower or otherwise) to ask, require, demand, receive, compound and give acquittance for any and all monies and claims for monies due and to become due to the Borrower under or arising out of the Security Documents or the Material Contracts, to endorse any checks or other instruments or orders in connection therewith and to file any claims or take any action or institute any proceedings which the Secured Parties direct the Collateral Agent to do to accomplish the purposes of this Agreement, including, without limitation:

(i) to receive payment of and receipt for any and all monies, claims and other amounts due and to become due at any time in respect of or arising out of any Collateral; (ii) to sign and endorse any invoices, freight or express bills, bills of lading, storage or warehouse receipts, drafts against debtors, assignments, proxies, stock powers, verifications, and notices in connection with accounts and other documents relating to the Collateral; (iii) to file any claims or take any action or institute any proceedings that the Collateral Agent may deem necessary or desirable for the collection of any of the Collateral or otherwise to enforce the rights of the Collateral Agent with respect to any of the Collateral; (iv) to defend any suit, action or proceeding brought against the Borrower with respect to any Collateral; (v) to settle, compromise or adjust any suit, action, or proceeding described above and, in connection therewith, to give such discharges or releases as the Collateral Agent may deem appropriate; (vi) to endorse the Borrower's name on all applications, documents, papers and instruments necessary or desirable in order for the

Collateral Agent to use any of intellectual property of the Borrower; (vii) to make, settle, compromise or adjust any claims under or pertaining to any of the Collateral (including claims under any policy of insurance); (viii) to do any and all acts and things to protect and preserve the Collateral, including, without limitation, the protection and prosecution of all rights included in the Collateral; and (ix) to sell, transfer, pledge, convey, make any agreement with respect to or otherwise deal with any of the Collateral to which the Borrower has legal title as fully and completely as though the Collateral Agent were the absolute owner thereof for all purposes, and to do, at the Secured Parties' option and the Borrower's expense, at any time, or from time to time, all acts and things necessary to protect, preserve, maintain, or realize upon the Collateral and the Collateral Agent's security interest therein.

ARTICLE III

[RESERVED]

ARTICLE IV

ACCOUNTS; APPLICATION OF PROCEEDS

Section 4.1 Accounts. There shall be established on or before the Closing Date, and the Collateral Agent at all times maintain, the following Accounts (as more fully described on Schedule IV hereto, the "*Accounts*") as securities accounts with the Securities Intermediary:

(a) The Debt Service Account (the "*Debt Service Account*") and within the Debt Service Account the following Accounts shall be established:

(i) an Account entitled "Interest Account" and within the Interest Account an Account with respect to each Series of Bonds and any Additional Senior Secured Indebtedness (each an "*Interest Account*");

(ii) an Account entitled "Principal Account" and within the Principal Account an Account with respect to each Series of Bonds and any Additional Senior Secured Indebtedness (each, a "*Principal Account*"); and

(iii) an Account entitled "Redemption Account" and within the Redemption Account an Account with respect to each Series of Bonds and any Additional Senior Secured Indebtedness (each, a "*Redemption Account*");

(b) The Revenue Account (the "*Revenue Account*");

(c) The Operating Account (the "*Operating Account*");

(d) The Maintenance Reserve Account (the "*Maintenance Reserve Account*");

(e) The Suspense Account (the "*Suspense Account*");

(f) The Distribution Account (the "*Distribution Account*");

(g) The Collateral Proceeds Account (the "*Collateral Proceeds Account*"); and

(h) The Termination Fee Account (the "*Termination Fee Account*").

Section 4.2 Access to Accounts. Only the Collateral Agent shall have the right to make withdrawals or transfers from any Account. The Borrower shall have no right to make withdrawal or transfers from any Account. The Borrower may instruct the Collateral Agent to make withdrawals or transfers from the Accounts, in accordance with the terms of this Agreement.

Section 4.3 Revenue Account. (a) Subject to Section 4.11, the Borrower shall (i) instruct each of its Counterparties to, commencing on the Effective Date, make any and all payments in respect of the Material Contracts to which the Borrower is a party relating to Project Revenues (other than the Maintenance Reserve Account Payments and the Replenishment Payments) and the Monthly Refinancing Payments directly to the Collateral Agent for deposit into the Revenue Account, (ii) instruct the Health System to, commencing on the Effective Date, transfer any Termination Fee (together with a calculation of the Termination Fee by the Health System, confirmed in writing by the Borrower) directly to the Collateral Agent for deposit into the Termination Fee Account pursuant to Section 4.6, (iii) transfer or deposit (or cause to be transferred or deposited) all Project Revenues (other than the Maintenance Reserve Account Payments and the Replenishment Payments) and the Monthly Refinancing Payments (to the extent not already included in (i) above) received or to be received directly by the Borrower to the Collateral Agent for deposit into the Revenue Account, (iv) transfer or deposit (or cause to be transferred or deposited) all Termination Fees (to the extent not already included in (ii) above) received or to be received directly by the Borrower to the Collateral Agent for deposit into the Termination Fee Account pursuant to Section 4.6, and (v) transfer or deposit (or cause to be transferred or deposited) all Maintenance Reserve Account Payments or Replenishment Payments received or to be received directly by the Borrower to the Collateral Agent for deposit into the Maintenance Reserve Account pursuant to Section 4.7.

(b) Subject to Section 4.11, funds in the Revenue Account shall be applied by internal account transfer by the Collateral Agent pursuant to a Revenue Account withdrawal certificate duly executed by a Responsible Officer of the Borrower in the form of Exhibit C (a "*Revenue Account Withdrawal Certificate*") and delivered to the Collateral Agent not later than one (1) Business Day prior to the applicable Monthly Date or such other date provided herein, as applicable (except transfers for paragraphs (i), (ii) and (vii) below shall be made by the Collateral Agent without an executed Revenue Account Withdrawal Certificate), in each case at the following times and in the following order of priority:

(i) *first*, on each Monthly Date (after taking into account amounts on deposit in the respective capitalized interest accounts held pursuant to the Indenture to be applied for such purpose), to deposit on a *pro rata basis* into each Account in the Interest Account of the Debt Service Account maintained with respect to the related Series of Bonds and any Additional Senior Secured Indebtedness, if any, the sum of (1) one-sixth (1/6) of the amount of the interest payable on such Series of Bonds and any Additional Senior Secured Indebtedness, on the next Interest Payment Date therefor, and (2) if such Monthly Date is also an Interest Payment Date, or the last Monthly Date before an Interest

Payment Date, any other amount required to make the amount credited to the relevant Interest Account of the Debt Service Account equal to the amount of interest due with respect to such Bonds and any Additional Senior Secured Indebtedness, on such Interest Payment Date;

(ii) *second,* on each Monthly Date, to the extent there are funds remaining in the Revenue Account as of such date after application of payments set forth in Section 4.3(b)(i), to deposit on a *pro rata basis* into each Account in the Principal Account of the Debt Service Account maintained with respect to each Series of Bonds and any Additional Senior Secured Indebtedness, the sum of (1) one-twelfth (1/12) of the amount of the principal payable on such Series of Bonds and any Additional Senior Secured Indebtedness on the next applicable Principal Payment Date (including any Mandatory Sinking Fund Redemption Date) and (2) if the Monthly Date is also a Principal Payment Date (including any Mandatory Sinking Fund Redemption Date) or the last Monthly Date before a Principal Payment Date (including any Mandatory Sinking Fund Redemption Date), any other amount required to make the amount credited to the relevant Account in the Principal Account of the Debt Service Account equal to the amount of principal due with respect to such Series of Bonds and any Additional Senior Secured Indebtedness on such Principal Payment Date (including any Mandatory Sinking Fund Redemption Date);

(iii) *third,* on each Monthly Date or any other date when owed, to the extent there are funds remaining in the Revenue Account as of such date after application of payments set forth in Sections 4.3(b)(i)-(ii) to the payment of any and all Additional Payments, fees, costs, indemnities, charges and expenses (including reasonable attorneys' fees) then due and payable to Secured Parties, 501(c)(3) Entity, Securities Intermediary and Borrower (such costs to be documented by the Collateral Agent, Trustee, 501(c)(3) Entity, Securities Intermediary, Borrower and Issuer and filed for payment with the Collateral Agent);

(iv) *fourth*, on each Monthly Date and on any other date when owed, to the extent there are funds remaining in the Revenue Account as of such date after application of payments set forth in Sections 4.3(b)(i)-(iii) to sufficiently fund any federal tax rebate payments due and owed to be payable pursuant to the Indenture;

(v) *fifth*, on each Monthly Date, to the extent there are funds remaining in the Revenue Account as of such date after application of payments set forth in Sections 4.3(b)(i)-(iv), to deposit to the Operating Account the amount certified by the Borrower in the Revenue Account Withdrawal Certificate as required, together with amounts then on deposit in the Operating Account, to pay Operating Costs that are, or are reasonably expected to become, due and payable during the current or next succeeding calendar month;

(vi) *sixth*, on each Monthly Date, to the extent there are funds remaining in the Revenue Account as of such date after application of payments set forth in Sections 4.3(b)(i)-(v), to be applied on a *pro rata basis* to the payment of any Permitted Indebtedness (other than the Secured Obligations), to the extent any of the payments

thereon are then due and payable in the amount certified by the Borrower in the Revenue Account Withdrawal Certificate; and

(vii) *seventh*, on each Monthly Date, to the extent there are funds remaining in the Revenue Account as of such date after application of payments set forth in Sections 4.3(b)(i)-(vi), to deposit to the Suspense Account all remaining funds from the Revenue Account.

Section 4.4 Debt Service Account.

(a) There shall be funds transferred by the Collateral Agent to the Debt Service Account as follows:

(i) from the Revenue Account to the Interest Accounts and the Principal Accounts of the Debt Service Account in accordance with Section 4.3(b)(i) and Section 4.3(b)(ii) of this Agreement;

(ii) from the Termination Fee Account to the Redemption Account in accordance with Section 4.6 of this Agreement; and

(iii) from any amounts paid by the Borrower (or caused to be paid by the Borrower) to the Collateral Agent for the redemption of Bonds pursuant to Exhibit 14 of the Energy Resilience & Performance Agreement to the Redemption Account (to the extent such amounts are not directly deposited to the Redemption Account pursuant to Section 4.6 of this Agreement).

(b) The Collateral Agent shall not later than three (3) Business Days prior to each Interest Payment Date or Principal Payment Date, withdraw or transfer funds on deposit in the Interest Accounts and the Principal Accounts of the Debt Service Account to the Trustee for deposit in the principal or interest accounts, as applicable, held under the Indenture for the payment of debt service then due and payable and for which funds available therefor are then on deposit in the Debt Service Account. The Collateral Agent shall follow the same procedures noted above to the extent any funds are on deposit and being held for payment on any Additional Senior Secured Indebtedness; provided the Joinder will establish the terms necessary for the Collateral Agent to make such payments.

(c) The Collateral Agent, to the extent funds are available in the Redemption Account, shall not later than thirty (30) days prior to each Redemption Date (unless otherwise acceptable to the Trustee) withdraw or transfer funds on deposit in the Redemption Account to the Trustee for deposit in the redemption account held under the Indenture for the payment of the Redemption Price for the Bonds to be redeemed; provided the Joinder will establish the terms necessary for the Collateral Agent to make such payments.

Section 4.5 Operating Account.

(a) There shall be funds deposited by the Collateral Agent into the Operating Account pursuant to Section 4.3(b) of this Agreement.

(b) So long as no Event of Default has occurred and is continuing, and so long as adequate funds are then available in the Operating Account, the Borrower may, by a standing written instruction delivered to the Collateral Agent, instruct the Collateral Agent to transfer funds from the Operating Account from time to time as may be necessary to pay directly any amounts owed for Operating Costs.

Section 4.6 Termination Fee Account. Upon a termination of the Energy Resilience & Performance Agreement, the Termination Fee received by the Collateral Agent shall be deposited into the Termination Fee Account established and held pursuant to this Agreement. Promptly upon deposit into the Termination Fee Account, the portion of the Termination Fee necessary to pay the applicable Redemption Price (as defined under the Indenture) of the Bonds shall be transferred by the Collateral Agent (upon delivery of a transfer certificate to be provided by the Borrower) to the Redemption Account herein. To the extent the Termination Fee received is not sufficient to repay the Redemption Price (as defined under the Indenture) of all Bonds in full (due to the Health System not making the entire Termination Fee payment), the Collateral Agent shall transfer the Termination Fee received to the Redemption Account and such Termination Fee shall be deposited into the Accounts in the Redemption Account on a *pro rata* basis across all Series of outstanding Bonds and any Additional Senior Secured Indebtedness. After the necessary transfers to the Redemption Account, any remaining portion of the Termination Fee on deposit in the Termination Fee Account shall be disbursed pursuant to the directions contained in the Termination Fee Disbursement Certificate, in the form set forth in Exhibit E.

Section 4.7 Maintenance Reserve Account.

(a) Upon receipt thereof, the Maintenance Reserve Account Payments and any Replenishment Payment received by the Collateral Agent pursuant to Section 4.3(a)(v) of this Agreement or otherwise shall be deposited by the Collateral Agent into the Maintenance Reserve Account established and held pursuant to this Agreement for application as set forth in paragraphs (c) and (d) below.

(b) If, three (3) Business Days prior to any Interest Payment Date or Principal Payment Date, the amounts on deposit in the applicable Interest Account or Principal Account of the Debt Service Account are less than the amount of interest or principal, as applicable, due with respect to the Bonds and any Additional Senior Secured Indebtedness on such date (the "*Debt Service Payment Date*"), the Collateral Agent shall first apply available funds in the Suspense Account, and then, to the extent of any remaining deficiency, transfer funds from the Maintenance Reserve Account, in each case in the amount necessary to make the amount credited to the relevant Interest Account or Principal Account of the Debt Service Account equal to the amount of interest or principal due on such date.

(c) On each Monthly Date following [*fully funded date*], if the amount on deposit in the Maintenance Reserve Account (the "*Current MRA Balance*") is less than the amounts required in clauses *first* and *second* in Section 4.3(b) of this Agreement for the next six months (after taking into account the scheduled Maintenance Reserve Account Payments required to be paid by the Health System for deposit in the Maintenance Reserve

Account during such six-month period) (the "*Minimum Maintenance Reserve Account Funding Level*"), the Collateral Agent shall:

(i) calculate the amount by which the Minimum Maintenance Reserve Account Funding Level exceeds the Current MRA Balance (the "*Replenishment Amount*");

(ii) determine the number of first days of a calendar month from the first day of the calendar month next following such Monthly Date through and including the first day of the calendar month in the month preceding the month in which the next Debt Service Payment Date falls (the "*Replenishment Payment Count*"); and

(iii) promptly notify the Borrower to require the Health System to make Replenishment Payments under the ERPA, payable on the first day of each calendar month during the period described in clause (ii), each in an amount equal to the Replenishment Amount divided by the Replenishment Payment Count (rounded up to the nearest cent), with the final Replenishment Payment equal to the then-remaining unpaid balance of the Replenishment Amount. Each Replenishment Payment shall be paid to the Collateral Agent for deposit into the Maintenance Reserve Account.

(d) If, as of any subsequent Monthly Date, the Current MRA Balance equals or exceeds the Minimum Maintenance Reserve Account Funding Level, the Collateral Agent shall promptly notify the Borrower that no further Replenishment Payments are required with respect to the previously calculated Replenishment Amount.

(e) The moneys in the Maintenance Reserve Account shall be used and withdrawn by the Collateral Agent to pay the costs for the Energy Assets, lifecycle work for Energy Assets or to be used to restore and replace such Energy Assets following casualty damages stemming from an uninsured casualty loss upon receipt by the Collateral Agent of a Requisition of the Borrower (or its designee), acknowledged and approved by the Health System, in substantially the form attached hereto as Exhibit F, on which the Collateral Agent is entitled to conclusively rely.

Section 4.8 Suspense Account.

(a) There shall be funds deposited by the Collateral Agent into the Suspense Account pursuant to Section 4.3(b) of this Agreement.

(b) In the event the amounts on deposit in the Revenue Account are insufficient to pay in full the amounts described in clauses *first* through *sixth* in Section 4.3(b) of this Agreement, the Collateral Agent shall use the funds in the Suspense Account to make deposits to pay in full the amounts required in clauses *first* through *sixth* in Section 4.3(b) of this Agreement. The Collateral Agent shall transfer amounts on deposit in the Suspense Account, if any, to the applicable account within the Debt Service Account prior to making any transfer pursuant to Section 4.7(b) above.

(c) If on any Calculation Date (i) all transfers and amounts required to be made pursuant to clauses *first* through *sixth* of Section 4.3(b) of this Agreement have been satisfied in full and (ii) all Restricted Payment Conditions have been satisfied, in each case as certified by the Borrower, the Borrower may, by written instruction in the form of Exhibit D delivered to the Collateral Agent not later than three (3) Business Days prior to the withdrawal or transfer date, authorize funds held in the Suspense Account in excess of the sum of (i) $250,000 and (ii) any amounts accumulated in the Suspense Account which are intended to pay amounts referenced in Section 4.3(b)(3) when due, to be transferred to the Distribution Account. To the extent funds are transferred from the Suspense Account pursuant to Section 4.8(b) above, the balance to the Suspense Account shall be restored to $250,000 from monthly deposits from the Revenue Account to the extent there are available funds after making the necessary deposits required in clauses *first* through *sixth* in Section 4.3(b) of this Agreement.

Section 4.9 Distribution Account. (a) There shall be funds deposited by the Collateral Agent into the Distribution Account pursuant to Section 4.8(c) of this Agreement.

(b) On any Restricted Payment Date, should the Restricted Payment Conditions be satisfied, as certified by the Borrower, the Borrower shall, by written instruction in the form of Exhibit D delivered to the Collateral Agent not later than three (3) Business Days prior to the withdrawal or transfer date, authorize the transfer of funds deposited into the Distribution Account to the Health System.

Section 4.10 Report of Value of Permitted Investments. The value of the Permitted Investments credited to the Accounts shall be included on the monthly statements of account delivered by the Collateral Agent to the Borrower.

Section 4.11 Application of Proceeds upon an Event of Default. (a) Pursuant to the terms herein, following the occurrence and during the continuance of an Event of Default, the Borrower does hereby constitute the Collateral Agent its true and lawful attorney, irrevocably, with full power of substitution (in the name of the Borrower or otherwise) to (i) instruct each of the Counterparties to make any and all payments in respect of the Material Contracts to which the Borrower is a party relating to Project Revenues and the Monthly Refinancing Payments directly to the Collateral Agent for deposit into the Collateral Proceeds Account, (ii) instruct the Health System to transfer any Termination Fee directly to the Collateral Agent for deposit into the Termination Fee Account pursuant to Section 4.6, (iii) transfer or deposit (or cause to be transferred or deposited) all Project Revenues and the Monthly Refinancing Payments (to the extent not already included in (i) above) received or to be received directly by the Borrower to the Collateral Agent for deposit into the Collateral Proceeds Account and (iv) transfer or deposit (or cause to be transferred or deposited) all Termination Fees (to the extent not already included in (ii) above) received or to be received directly by the Borrower to the Collateral Agent for deposit into the Termination Fee Account pursuant to Section 4.6; *provided* that the Collateral Agent shall not provide any such instructions or make any such deposits unless an Event of Default shall have occurred. Following the Collateral Agent providing any such instruction or making any such deposit, and during the continuance of the applicable Event of Default, if the Borrower or any agent or Affiliate of the Borrower receives any Project Revenues or the Monthly Refinancing Payments or any payment or portion thereof made pursuant to any Material Contract such amounts shall be held for the benefit of the Collateral Agent and the Borrower shall pay, or shall cause such agent or Affiliate to pay, promptly (y) such Project Revenues and the Monthly Refinancing

Payments in the form received by such Person to the Collateral Agent for deposit into the Collateral Proceeds Account, and such Project Revenues and such Monthly Refinancing Payments shall be held in the Collateral Proceeds Account and distributed pursuant to the provisions of this Agreement and (z) such Termination Fee in the form received by such Person to the Collateral Agent for deposit into the Termination Fee Account, and such Termination Fee shall be held in the Termination Fee Account and distributed pursuant to the provisions of this Agreement.

(b) If an Event of Default shall have occurred and be continuing, (i) the Collateral Agent shall accept all notices and instructions required to be given to the Collateral Agent pursuant to the terms of this Agreement only from the Required Secured Parties (or their representative) and not from any other Person, (ii) the Collateral Agent may, and upon written direction of the Required Secured Parties, shall not withdraw from, dispose of, transfer, pay or otherwise distribute any monies into, or out of, any of the Accounts except pursuant to such notices and instructions from the Required Secured Parties and (iii) the Collateral Agent may, and upon written direction of the Required Secured Parties shall, deposit into the Collateral Proceeds Account all amounts deposited or held in all Accounts established under this Section 4 and apply such amounts in the manner provided for in Section 4.13 hereof.

Section 4.12 Collateral Proceeds Account. (a) Funds in the Collateral Proceeds Account shall only be withdrawn as provided herein.

(b) All proceeds received by the Collateral Agent following the exercise of any rights or remedies in accordance with the provisions of this Agreement with respect to any Collateral during any period while an Event of Default has occurred and is continuing, including foreclosure and/or sale proceeds with respect to any such Collateral, all amounts in all Accounts, all amounts delivered to, or received by, the Collateral Agent pursuant to Sections 4.11, 7.1, 7.5 or 7.10 hereof and all other proceeds relating to the Collateral (or any part thereof) shall be deposited by the Collateral Agent in the Collateral Proceeds Account, and shall be applied by the Collateral Agent in accordance with Section 4.13 below.

Section 4.13 Application of Collateral Proceeds.

(a) Funds deposited in the Collateral Proceeds Account in connection with the exercise of rights or remedies in respect of the Secured Obligations shall be paid to and applied as follows, on the date or dates selected by the Collateral Agent:

(i) *First* — to the payment of

(1) costs and expenses (including legal fees and expenses) of foreclosure or suit, if any, and of any sale, and of all proper expenses, liability and advances incurred or made hereunder or under the Financing Documents by the Secured Parties (pursuant to their respective rights to exercise remedies in respect of the applicable Collateral), and

(2) all federally required rebate payments, and all taxes, assessments or Liens superior to the Liens of the Security Documents (except any taxes,

assessments or other superior Liens subject to which such sale of the applicable Collateral may have been made) in respect of the applicable Collateral;

provided that for purposes of this clause (i), all of the aforesaid amounts owing in respect of federally required rebate payments and taxes, assessments or Liens referred to above shall be paid first, all of the aforesaid amounts owing to the Collateral Agent shall be paid second and all of the aforesaid amounts owing the Secured Parties shall be paid third;

(ii) *Second — first,* on a *pro rata* basis, to the payment of any and all Additional Payments, fees, costs, indemnities, charges and expenses (including reasonable attorneys' fees and expenses) then due and payable to the Secured Parties (such costs to be documented by the Collateral Agent, Trustee and Issuer and filed for payment with the Collateral Agent);

(iii) *Third* — on a *pro rata* basis, to the payment of amounts due and payable to the Secured Parties with respect to accrued interest on the outstanding Secured Obligations;

(iv) *Fourth* — on a *pro rata* basis, to the payment of any outstanding principal of the Secured Obligations;

(v) *Fifth* — on a *pro rata* basis, to the payment of any other payments otherwise due and owing on, or with respect to, the Secured Obligations (including amounts due with respect to indemnities, any commitment fees, letter of credit fees, breakage fees, Redemption Price and Make-Whole Amount and prepayment premiums on or with respect to the Secured Obligations), until the Secured Obligations are no longer outstanding;

(vi) *Sixth* – on a pro rata basis, to the payment of any outstanding Permitted Indebtedness (other than the Secured Obligations) until such Permitted Indebtedness is no longer outstanding; and

(vii) *Seventh* – to the payment of the surplus, if any, to the Health System.

(b) The Borrower shall remain liable hereunder for payment of any deficiency owing on the applicable Secured Obligations after application of such proceeds.

(c) Prior to making any payments described in Section 4.13(a), the Collateral Agent shall be entitled to receive, and to conclusively rely on, (i) a certificate from each Secured Party, executed by an authorized officer of such Secured Party, as to the outstanding amounts of the Secured Obligations owing to such Secured Party, which amounts shall be identified as to type of Secured Obligations owing to such Secured Party in accordance with the allocation provisions described above and (ii) direction to make any payment from the Required Secured Parties. The Collateral Agent shall deliver a copy of each such certificate and direction to the Health System promptly after its receipt thereof. Failure of the Collateral Agent to deliver any such materials or notices hereunder to the Health System, or any defect therein, shall not impair, waive, or otherwise affect any right of the Collateral Agent to take any action or to exercise any right or remedy available to it

under this Agreement, at law, or in equity, including the right to enforce any remedies hereunder or under this Agreement.

Section 4.14 Insufficient Amount. If the Collateral Agent reasonably determines that any funds received by it hereunder are insufficient to satisfy any disbursement required to be made by the Collateral Agent hereunder (the amount of such deficiency being referred to as the "*Deficiency*"), the Collateral Agent shall promptly and in any event within five (5) days after such determination, notify the Borrower in writing of its determination.

Section 4.15 Notice of Transfer or Withdrawal. In connection with a request to the Collateral Agent to make any transfer or withdrawal in accordance with the terms hereof, the Borrower shall give the Collateral Agent notice of such transfer or withdrawal not less than one (1) Business Day in advance thereof, unless otherwise specified herein. The Collateral Agent shall promptly transfer or withdraw any funds given in accordance with any such notice.

Section 4.16 Income Tax Withholding and Reporting. The Borrower agrees to provide to Collateral Agent, upon request, documents and information necessary to determine whether any tax or withholding obligations apply to any distributions hereunder, including appropriate Forms W-9 or W-8 and such other forms and documents that the Collateral Agent may request. The Borrower acknowledges and agrees that the Collateral Agent may be required by the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder, to withhold a portion of any distribution hereunder if required by law. To the extent that the Collateral Agent becomes liable for the payment of any taxes in respect of any payment received by the Collateral Agent or income thereon, the Borrower shall pay such amounts to the Collateral Agent promptly on demand. The Borrower shall indemnify, defend and hold the Collateral Agent harmless from and against any tax, late payment, interest, penalty or other cost or expense that may be assessed against the Collateral Agent on or with respect to any payments received by the Collateral Agent hereunder and the investment thereof unless such tax, late payment, interest, penalty or other expense was directly caused by the gross negligence or willful misconduct of the Collateral Agent. The indemnification provided by this Section 4.16 is in addition to the indemnification provided in Section 8 and shall survive the resignation or removal of the Collateral Agent and the termination of this Agreement.

ARTICLE V

SECURITIES INTERMEDIARY AND CONTROL OF ACCOUNTS

Section 5.1 Crediting Property to Accounts. The Collateral Agent shall accept and promptly cause the Securities Intermediary to credit to the appropriate Account all cash, payments, instruments, investments, financial assets, other amounts, and Permitted Investments to be delivered to or held by the Collateral Agent or the Securities Intermediary pursuant to the terms of this Agreement.

Section 5.2 Control of Accounts. (a) There shall at all times be a securities intermediary appointed for purposes of this Agreement (the "*Securities Intermediary*"). Argent Trust Company is hereby appointed as the initial Securities Intermediary hereunder and accepts such appointment.

(b) The Securities Intermediary represents, warrants, and covenants, and the parties hereto agree, that at all times prior to the termination of this Agreement:

(i) The Securities Intermediary shall be a trust company or national bank that in the ordinary course of its business maintains securities accounts for others and is acting in that capacity hereunder. The Securities Intermediary (A) shall be a state-chartered or national bank, or trust company, (B) shall not be an Affiliate of the Borrower or the Issuer, and (C) shall be an Eligible Financial Institution.

(ii) Each Account shall be a securities account maintained with the Securities Intermediary to which financial assets may be credited and the Securities Intermediary shall treat the Collateral Agent as entitled to exercise the rights that comprise such financial assets.

(iii) The Securities Intermediary shall not change the name or the account number of any Account without the prior written consent of the Collateral Agent.

(iv) Each item of property credited to each Account shall be treated as a financial asset.

(v) The Securities Intermediary shall comply with entitlement orders originated by the Collateral Agent without further consent by the Borrower or any other person or entity.

(vi) The Securities Intermediary shall not agree with any person or entity other than the Collateral Agent that it will comply with entitlement orders originated by any person or entity other than the Collateral Agent. The Securities Intermediary shall not comply with entitlement orders originated by any person or entity other than the Collateral Agent, except that the Securities Intermediary may comply with entitlement orders originated by the Borrower to the extent expressly permitted by the terms of this Agreement.

(vii) The Securities Intermediary shall not be a party to any agreement that is inconsistent with this Section 5.2 or any other provision of this Agreement, or that limits or conditions any of its obligations under this Section 5.2 or any other provision of this Agreement. The Securities Intermediary shall not take any action inconsistent with this Section 5.2 or any other provision of this Agreement applicable to it.

(viii) Each item of property credited to each Account shall not be subject to, and the Securities Intermediary hereby waives, any security interest, lien, claim, encumbrance, or right of setoff in favor of the Securities Intermediary or anyone claiming through the Securities Intermediary (other than the Collateral Agent).

(ix) For purposes of Article 8 of the UCC, the securities intermediary's jurisdiction of the Securities Intermediary with respect to the Collateral shall be the State of New York.

(x) To the extent that any Account is determined to be a deposit account, rather than a securities account, (A) the Securities Intermediary will comply with instructions originated by the Collateral Agent directing disposition of the funds in such Account without further consent by the Borrower or any other person or entity, and (B) for purposes of Article 9 of the UCC, the bank's jurisdiction of the Securities Intermediary with respect to such Account shall be the State of New York.

(c) It is the intent of the parties that each Account shall be a securities account of the Collateral Agent and not an account of the Borrower.

(d) The Borrower shall indorse to the Securities Intermediary or in blank any financial asset that is required to be delivered to the Collateral Agent or the Securities Intermediary pursuant to this Agreement and that is registered in the name of, payable to the order of, or specially endorsed to the Borrower.

(e) The Securities Intermediary may at any time resign by written notice to the Collateral Agent. The Securities Intermediary may at any time be removed by written notice from the Collateral Agent (acting at the direction of the Required Secured Parties). The Collateral Agent shall promptly remove the Securities Intermediary if at any time the Securities Intermediary is not an Eligible Financial Institution. The Collateral Agent shall appoint a successor Securities Intermediary that satisfies the provisions of Section 5.2(b)(i). The Collateral Agent shall cause (i) each Account to be established and maintained with such successor Securities Intermediary in accordance with the terms hereof, and (ii) the successor Securities Intermediary to execute and deliver to the parties hereto a written agreement in which it agrees to be the Securities Intermediary hereunder and to be bound by the provisions of this Agreement applicable to the Securities Intermediary. The duties and obligations of the retiring Securities Intermediary hereunder shall remain in effect until the successor Securities Intermediary has executed and delivered the agreement described in the immediately preceding sentence and each Account and all of the Collateral credited thereto have been transferred to the successor Securities Intermediary.

(f) Nothing herein shall impose upon the Securities Intermediary any duties or obligations other than those expressly set forth herein and those imposed by operation of law. The Securities Intermediary shall be entitled to all of the protections available to a securities intermediary under the UCC.

(g) Without limiting the protections available to the Securities Intermediary under the UCC, the initial Securities Intermediary, for so long as it is also serving as Collateral Agent, shall be entitled to the same applicable rights, protections, immunities, indemnities and limitations on liability afforded to it as Collateral Agent under Article VIII of this Agreement.

ARTICLE VI

COVENANTS, REPRESENTATIONS AND CONDITIONS OF THE PARTIES

Section 6.1 Perfection; Further Assurances. (a) The Borrower has caused or will have caused, within ten days after the Closing Date, the authorization and filing of all appropriate financing statements in the proper office in the appropriate jurisdictions in order to perfect under applicable law the security interest granted to the Collateral Agent hereunder. On or before the Closing Date, the Borrower, at its sole expense, shall execute and deliver all other applicable documents, make all other filings, and take all other actions in such manner and in such places as may be required by applicable law in order to perfect the security interest of the Collateral Agent in the Collateral. The Borrower hereby authorizes the filing of financing statements (and amendments of financing statements and continuation statements) that name the Borrower as debtor and the Collateral Agent as secured party and that cover all personal property of the Borrower. The Borrower also hereby ratifies its authorization of the filing of any such financing statements (or amendments of financing statements or continuation statements) that were filed prior to the execution hereof.

(b) After the Closing Date, the Borrower shall authorize and file in a timely manner in the proper office in the appropriate jurisdictions all financing statements, continuation statements, and amendments to financing statements as are necessary or appropriate to perfect and maintain the perfection and priority under applicable law of the security interest granted to the Collateral Agent. After the Closing Date, the Borrower, at its sole expense, shall execute and deliver all other applicable documents, take all other actions, and make all other filings in such manner and in such places as may be required by applicable law in order to maintain the perfection and priority of the security interest of the Collateral Agent in the Collateral. The Borrower shall from time to time execute and deliver all such supplements and amendments hereto and file or authorize the filing of all such financing statements, continuation statements, instruments of further assurance, and other instruments, and shall take such other action as may be necessary or advisable or desirable to secure the rights and remedies of the Collateral Agent and the Secured Parties hereunder and to (i) grant to the Collateral Agent more effectively a security interest in all or any portion of the Collateral, (ii) maintain, preserve, and perfect the security interest granted to the Collateral Agent hereunder including the first priority nature of the security interest or carry out more effectively the purposes hereof, (iii) perfect, publish notice of, or protect the validity of the security interest granted to the Collateral Agent hereunder (including any and all actions necessary or desirable as a result of a change in applicable law after the date hereof); (iv) enforce any instruments or other property included in the Collateral, (v) preserve and defend title to the Collateral and the rights therein of the Collateral Agent and the Secured Parties in the Collateral against the claims of all Persons and (vi) pay or cause to be paid any and all taxes levied or assessed upon all or any part of the Collateral.

(c) The Borrower hereby authorizes the Collateral Agent to execute and file any documents, including financing statements and continuation statements, on the Borrower's behalf with respect to all or any part of the Collateral without the signature of the Borrower to maintain the Lien of the Security Documents described herein (including

financing statements describing the Collateral as an "all assets" or "all personal property" or words of like meaning); *provided* that the Collateral Agent shall furnish to the Borrower a copy of each such statement filed, promptly after the filing thereof; *provided, further,* that the authorization granted in this sentence does not create an obligation on the part of the Collateral Agent or relieve the obligations of the Borrower in this Section or negate the provisions in Section 8.4(t) of this Agreement.

Section 6.2 Priority of Security Interest. The Borrower recognizes and agrees that the security interest created hereunder shall be at all times a first priority perfected security interest, subject only to the Permitted Liens.

Section 6.3 Security Document Covenants. The Borrower does hereby covenant and agree to abide by, perform and be governed and restricted by all of the provisions of the Security Documents to which it is a party, if any.

Section 6.4 Obligations and Terms Respecting the Material Contracts. The Borrower acknowledges that it has agreed to (i) instruct each of its Counterparties to, commencing on the Effective Date, make any and all payments in respect of the Material Contracts to which the Borrower is a party relating to Project Revenues (other than the Maintenance Reserve Account Payments and the Replenishment Payments) and the Monthly Refinancing Payments directly to the Collateral Agent for deposit into the Revenue Account or such other account if required pursuant to the provisions contained in this Agreement, (ii) instruct the Health System to transfer any Termination Fee directly to the Collateral Agent for deposit into the Termination Fee Account pursuant to Section 4.6, (iii) transfer or deposit (or cause to be transferred or deposited) all Project Revenues (other than the Maintenance Reserve Account Payments and the Replenishment Payments) and the Monthly Refinancing Payments (to the extent not already included in (i) above) received or to be received directly by the Borrower to the Collateral Agent for deposit into the Revenue Account (except during an Event of Default, whereby such payments shall be deposited into the Collateral Proceeds Account), (iv) transfer or deposit (or cause to be transferred or deposited) all Termination Fees (to the extent not already included in (ii) above) received or to be received directly by the Borrower to the Collateral Agent for deposit into the Termination Fee Account pursuant to Section 4.6, and (v) transfer or deposit (or cause to be transferred or deposited) all Maintenance Reserve Account Payments and Replenishment Payments received or to be received directly by the Borrower to the Collateral Agent for deposit into the Maintenance Reserve Account pursuant to Section 4.7.

Section 6.5 [Reserved].

Section 6.6 Borrower Covenants. The Borrower:

(a) shall promptly deliver, or cause to be delivered, to the Collateral Agent:

(i) from time to time statements and schedules further identifying and describing the Collateral required for purposes of perfection (to the extent required hereunder) as the Collateral Agent or the Required Secured Parties may reasonably request, all in reasonable detail;

(ii) copies of any and all filings, recordings, registrations, financing statements, continuation statements and other instruments made by or on behalf of the Borrower with respect to the Collateral; and

(iii) all instruments and financial assets, if any, representing or evidencing the Collateral from time to time, as the same may be amended or modified and, if applicable, shall be in suitable form for transfer by delivery, or shall be accompanied by duly executed instruments of transfer or assignment in blank, all in form and substance reasonably satisfactory to the Collateral Agent;

(b) shall not have any securities account or deposit account that is not an Account;

(c) shall not take any action that would, or fail to take any action if such failure would, impair in any manner the enforceability, perfection, or priority of the Collateral Agent's security interest in any Collateral (subject to the Permitted Liens);

(d) if the Borrower or the Collateral Agent is, in respect of any payment, required under this Agreement to withhold or deduct any amount for or on account of any Taxes, the Borrower shall (1) give written notice of that fact to the Collateral Agent as soon as the Borrower becomes aware of the requirement to make the withholding or deduction and shall give to the Collateral Agent such information as the Collateral Agent shall require to enable it to assess and comply with the requirement and (2) indemnify the Collateral Agent in accordance with the terms of Section 8.3(b);

(e) shall not incur any Indebtedness other than the following Indebtedness (collectively the "Permitted Indebtedness"):

(i) the Bonds;

(ii) amounts payable under the Material Contracts to the extent the same constitute Indebtedness; and

(iii) Additional Senior Secured Indebtedness (including Additional Bonds) incurred solely for one or more of the following purposes: (A) to expand or add to the Project or otherwise make capital improvements or (B) to refinance, replace or refund all or part of the Bonds or any other Additional Senior Secured Indebtedness; provided that no such Additional Senior Secured Indebtedness shall be incurred unless: (x) the Borrower shall deliver a certificate to the Collateral Agent certifying that: (i) the Base Capacity Charge and the Monthly Refinancing Payment under the Material Contracts is sufficient (i.e. 1.0 to 1.0) to satisfy all amounts payable under clauses (i)-(v) in Section 4.3(b) herein for each Calculation Period from the date of debt incurrence until the last Maturity Date of the Bonds and any Additional Bonds, (ii) no Default or Event of Default exists or would exist after giving effect to such Additional Senior Secured Indebtedness; and (iii) the rating on the outstanding Bonds as then in effect will not be reduced, suspended or withdrawn as a result of the incurrence of such Additional Senior Secured Indebtedness; and (y) the Additional Senior Secured Party shall execute and deliver a Joinder to the Borrower and the Collateral Agent in a form satisfactory to the Borrower and Collateral Agent;

(f) shall pay or cause to be paid all filing, registration and recording taxes and fees and any other taxes, assessments, fees or charges incident to any filing, registration and recording hereunder, and all taxes, assessments and charges with respect to the preparation, execution, delivery and acknowledgment of this Agreement and the other Security Documents; and

(g) shall not change its name or its jurisdiction of organization unless it has taken all actions, including the authorization and filing of all financing statements and amendments thereto, as are necessary to perfect and maintain the perfection and priority under the applicable law of the security interest granted to the Collateral Agent hereunder.

Section 6.7 Lien Searches. The Collateral Agent may, at the request of the Required Secured Parties, order lien searches, not more than once annually, against the Borrower and the Collateral at the Borrower's expense.

Section 6.8 Representations of Collateral Agent. The Collateral Agent represents and warrants that:

(a) The Collateral Agent's designated corporate trust office and the place where the documents, accounts and records relating to the transaction are kept is located at the Collateral Agent's address described in Section 13.1 hereof.

(b) The Collateral Agent is a trust company duly organized and validly existing in good standing under the laws of the State of Tennessee and has full corporate power and authority to execute, deliver and perform its obligations under this Agreement, and under each other Financing Document to which it is or will be a party as Collateral Agent.

(c) This Agreement has been duly authorized, executed and delivered by or on behalf of the Collateral Agent and is the legal, valid and binding obligation of the Collateral Agent, enforceable against it in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, or similar laws affecting creditors' rights generally and by general equitable principles. The Financing Documents to which the Collateral Agent is a party constitute the legal, valid and binding obligations of the Collateral Agent, enforceable against it in accordance with their respective terms, except as such enforceability may be limited by applicable bankruptcy, insolvency or similar laws affecting creditors' rights generally and by general equitable principles.

(d) The execution, delivery and performance by (a) the Collateral Agent of this Agreement, and (b) the Collateral Agent of each Financing Document to which Collateral Agent is or will be a party, are not and will not be, and the performance by the Collateral Agent of its obligations under each are not and will not be, inconsistent with or violate the charter document or by-laws of the Collateral Agent, do not and will not contravene or violate any applicable law.

(e) None of the execution, delivery or performance by Collateral Agent of any of the Financing Documents to which it is a party requires the consent or approval of, or the giving of notice to or registration with, or the taking of any other action in respect of, any Governmental Authority.

Section 6.9 Investment of Funds.

(a) Moneys on deposit in the Accounts, and any other moneys held by the Collateral Agent pursuant to this Agreement shall, to the extent consistent with withdrawals required to be made therefrom, be invested and reinvested by the Collateral Agent as directed in writing by the Borrower in Permitted Investments (such direction to specify the particular investment to be made). So long as no Event of Default has occurred and is continuing, interest and other earnings paid on such Permitted Investments shall be transferred to the Revenue Account on or before the second Business Day of the month. The Collateral Agent shall have no obligation to invest and reinvest any cash held in the Accounts or any other moneys held by the Collateral Agent pursuant to this Agreement in the absence of timely and specific written investment direction from the Borrower, or pursuant to paragraph (b) of this Section 6.9, the Required Secured Parties. In no event shall the Collateral Agent be liable for the selection of investments or for investment losses, fees, taxes or other charges incurred thereon. The Collateral Agent shall have no liability in respect of losses incurred as a result of the liquidation of any investment prior to its stated maturity or the failure of the Borrower, or pursuant to paragraph (b) of this Section 6.9, the Required Secured Parties, to provide timely written investment direction, excluding the Collateral Agent's gross negligence or willful misconduct.

Subject to the terms of Section 8.7, it is understood and agreed that the Collateral Agent or its affiliates may (1) effect purchases and sales of Permitted Investments as described herein and (2) serve as investment adviser, administrator, shareholder servicing agent, custodian or sub-custodian with respect to certain of the Permitted Investments and, in each case, be entitled to receive compensation therefor.

The Borrower shall pay or reimburse the Collateral Agent upon request for any transfer taxes or other taxes relating to the funds held in any Account incurred in connection herewith and shall indemnify and hold harmless the Collateral Agent against any amounts that it is obligated to pay in the way of such taxes. Any payments of income from this Account shall be subject to withholding regulations then in force with respect to United States taxes. The Borrower will provide the Collateral Agent with appropriate W-9 forms for tax identification number certifications, or W-8 forms for non-resident alien certifications. It is understood that the Collateral Agent shall only be responsible for income reporting with respect to income earned on any Account and will not be responsible for any other reporting in connection with income relating to the Borrower.

(b) If an Event of Default has occurred and is continuing, (i) the Borrower's right to direct such investments pursuant to Section 6.9(a) or as otherwise provided herein shall be suspended and Collateral Agent (to the extent a Responsible CA Officer has actual knowledge thereof) shall not accept direction from the Borrower with respect to the Accounts; and (ii) any credit balances shall be invested and reinvested as may be directed in writing by the Required Secured Parties to the Collateral Agent.

ARTICLE VII

DEFAULTS AND REMEDIES

Section 7.1 Default Remedies.

(a) If an Event of Default has occurred and is continuing, the Required Secured Parties, by an instrument or instruments in writing executed and delivered to the Collateral Agent, and providing for the indemnity required hereunder, may direct, and at all times shall have such right to so direct, the method and place of conducting the proceedings to be taken in connection with the enforcement of the terms and conditions hereof or the exercise of any other right or remedy of the Collateral Agent. The Collateral Agent may, and upon being so directed in writing by the Required Secured Parties and indemnified by the Secured Parties in accordance with the terms of Section 8.3(d) and, subject to the rights and immunities set forth in Section 8 below, shall, in accordance with such direction:

(i) exercise all of the rights and remedies in respect of the Collateral to the fullest extent permitted under applicable Law and all of the rights and remedies conferred in this Agreement and in the other Security Documents;

(ii) exercise all of the rights and remedies of a secured party under the UCC of any applicable jurisdiction and may proceed to protect and enforce this Agreement and any of the other Security Documents by suit or suits or proceedings at law, in equity, in bankruptcy or otherwise, and whether for the specific performance of any covenant or agreement herein or therein contained or in execution or aid of any power herein or therein granted, or for foreclosure hereunder or thereunder, or for the appointment of a receiver or receivers for the Collateral or any part thereof or for the enforcement of any legal, equitable or other remedy to the fullest extent available under applicable Law; and

(iii) protect and enforce this Agreement or any one or more of the other Security Documents by suit or suits or proceedings at law, in equity, in bankruptcy or otherwise, and whether for the specific performance of any covenant or agreement herein or therein contained or in execution or aid of any power herein or therein granted, or for the enforcement of any legal, equitable or other remedy to the fullest extent available under applicable Law.

(b) In case there shall be pending a case or proceedings in bankruptcy with respect to, or for the reorganization or arrangement of, the Borrower under any bankruptcy or insolvency law or in case a conservator, liquidator, custodian, receiver or trustee shall have been appointed for the Borrower or its property, the Collateral Agent shall have the right (and, if so directed in writing by the Required Secured Parties, the obligation) to file such proofs of claim and other papers or documents as may be necessary or advisable in order to have the claims of the Secured Parties allowed in such case or proceeding for the entire amount of the obligations owed to such Secured Parties by the Borrower, at the date of the institution of such case or proceeding, and for any additional amounts which may become due and payable under any of the Financing Documents after such date.

(c) The Collateral Agent may act, if any Event of Default has occurred and is continuing of which a Responsible CA Officer has actual knowledge, or under any other circumstance where action is reasonably required before any necessary instructions may be received in accordance with this Agreement, to the extent it deems necessary and without instruction from the Required Secured Parties, in order to:

(i) protect the Collateral;

(ii) instruct or give any notice to the Borrower;

(iii) otherwise promote and protect the interests of the Secured Parties; or

(iv) for any other purpose where the Collateral Agent is allowed to take action as set forth in this Agreement;

provided, however, the Collateral Agent shall not be responsible or liable in any way to any of the Secured Parties for its failure to take any action pursuant to this clause (c). For purposes of clarification, the Collateral Agent's obligations under Section 8.5 or Section 8.6 hereof shall not be considered discretionary action that is subject to the terms of this clause (c).

(d) Revocation of Direction. The Required Secured Parties may at any time revoke or alter, by written instruction to the Collateral Agent, all or any part of any written direction previously delivered to the Collateral Agent by the Required Secured Parties, it being understood that the Collateral Agent shall not be liable for refraining from taking action if it receives conflicting written instructions from the Required Secured Parties (but in such event the Collateral Agent shall promptly provide written notice of such conflicting instructions to each Secured Party).

Section 7.2 Remedies Cumulative, Etc. (a) All covenants, conditions, provisions, warranties, guaranties, indemnities, and other undertakings of the Borrower contained in this Agreement or in any Financing Document or in any document referred to herein or therein, or contained in any agreement supplementary hereto or thereto, shall be deemed in addition to, and not in derogation or substitution of, any of the terms, covenants, conditions, or agreements of the Borrower herein or therein contained.

(b) The giving, taking, or enforcement of any other or additional security, collateral, or guaranty for the payment or performance of the Secured Obligations shall not operate to prejudice, waive, or affect the security of this Agreement or any other Security Documents, or any rights, powers, or remedies hereunder or thereunder, nor shall the Secured Parties or the Collateral Agent be required to first look to, enforce, or exhaust, any such other or additional security, collateral, or guaranties.

(c) No course of dealing on the part of any of the Secured Parties, nor any delay or failure on the part of any of the Secured Parties to exercise any right, shall impair any right or operate as a waiver of any right or otherwise prejudice the rights, powers, and remedies of the Secured Parties hereunder or under any other Financing Document.

(d) No waiver by any of the Secured Parties of any Default or Event of Default, whether such waiver be full or partial, shall extend to or be taken to affect any subsequent Default or Event of Default, or to impair the rights resulting therefrom, except as may be otherwise expressly provided herein or in any other Financing Document.

(e) Every right and remedy given hereby and by any other Financing Document or by applicable Law to the Collateral Agent may, to the fullest extent provided under applicable Law and subject to Section 7.1(a) of this Agreement, be exercised from time to time as often as may be deemed expedient by the Collateral Agent, upon the written direction of the Required Secured Parties. The Collateral Agent shall be permitted, to the fullest extent permitted by applicable Law, to exercise remedies under the Security Documents separately from remedies exercised against other portions of the Collateral pursuant to the terms hereof.

Section 7.3 Restoration of Rights and Remedies. If the Collateral Agent shall have instituted any proceeding to enforce any right or remedy under any Financing Document and such proceeding shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Collateral Agent, then and in every such case the Collateral Agent, the Borrower, and the Secured Parties shall, subject to any determination in such proceeding, be restored severally and respectively to their former positions hereunder, and thereafter all rights and remedies of the Collateral Agent shall continue as though no such proceeding had been instituted.

Section 7.4 Limitations on Suits.

(a) Generally. Anything else contained herein to the contrary notwithstanding, no Secured Party (other than the Collateral Agent) shall have the right to institute any suit, action or proceeding at law or in equity, for the execution of any trust or power hereof or of any Security Document or for any other remedy under or upon this Agreement or any other Security Document or with respect to any Collateral, unless each of the following conditions is satisfied:

(i) the Required Secured Parties shall have requested in writing that the Collateral Agent exercise the powers hereinbefore granted or institute such action, suit or proceeding in its own name;

(ii) the Collateral Agent shall have received the indemnity required hereby;

(iii) the Collateral Agent shall have refused or failed to comply with such written request for a period of thirty (30) days after such written request shall have been received by it; and

(iv) if action is to be taken with respect to the Collateral, an Event of Default exists.

Such notification, request, offer of indemnity and refusal or omission are conditions precedent to the exercise by any Secured Party (other than the Collateral Agent) of any remedy hereunder; it being understood that no one or more of such Secured Parties shall have any right in any manner whatever by his, her, its or their action to enforce any right under this Agreement or any other Security Document or with respect to any Collateral, except in the manner herein provided, and that all judicial proceedings to enforce any provision hereof shall be instituted, had and maintained in the manner herein provided and for the benefit of all Secured Parties, as provided for herein.

(b) Suits for Obligations. The Collateral Agent may take any action to enforce against the Borrower after the occurrence and during the continuance of an Event of Default, any obligation to pay principal, interest, Make-Whole Amount, prepayment premiums, fees and any other amounts under or in respect of (and in accordance with the terms of) the Secured Obligations, as a result of the Bonds or other Additional Senior Secured Indebtedness being declared immediately due and payable, or to accept and retain payment in respect of any such obligations or to enforce against any other obligor of such obligations any right to have such obligor make such payment and to accept and retain payment from such obligor in respect of any such obligations, without, in each case, the prior written consent of the Required Secured Parties, and nothing herein shall affect, limit, impair or reduce the requirements of Section 7.5, Section 7.8 or Section 4 herein with respect to the disposition of, and sharing of, Collateral and proceeds of Collateral received by a Secured Party or paid to a Secured Party by the Borrower or any other obligor.

Section 7.5 Sharing.

(a) Remittance of Proceeds. If:

(i) an Event of Default shall have occurred and be continuing, and

(ii) a Secured Party shall obtain any payment of proceeds of the Collateral other than through a distribution from the Collateral Agent pursuant to the terms hereof,

then such Secured Party shall, promptly after receipt thereof, notify the Collateral Agent in writing and remit such payment to the Collateral Agent and the Collateral Agent shall deposit such proceeds into the Collateral Proceeds Account. The Collateral Agent shall, promptly after receipt of such payment, disburse the amount so remitted to it as provided in Section 4.13 herein, in the order of priority set forth therein. Any such payment shall not be deemed to have satisfied any obligations in respect of which it was originally received by such Secured Party but rather shall be deemed to have satisfied, to the extent of the amount of such proceeds, the obligations of the Borrower to which such proceeds are applied as provided for in Section 4.13 herein.

(b) Setoffs, Counterclaims, etc. If:

(i) an Event of Default shall have occurred and be continuing, and

(ii) a Secured Party shall obtain any amounts through the exercise of a right of banker's lien, setoff or counterclaim against the Borrower (including, without limitation, any ordinary course application of account balances (by way of set-off, pre-authorized withdrawals, account consolidation or otherwise) to reduce any outstanding

principal and to permanently reduce any commitment availability under any Secured Obligation that is in the nature of revolving credit),

then such Secured Party shall, promptly after receipt thereof, notify the Collateral Agent in writing and remit such amounts to the Collateral Agent and the Collateral Agent shall deposit such amounts into the Collateral Proceeds Account. The Collateral Agent shall, promptly after receipt of such amounts, disburse the amounts so remitted to it as provided in Section 4.13, in the order of priority set forth therein. Any such amounts shall not be deemed to have satisfied any obligations in respect of which it was originally received by such Secured Party but rather shall be deemed to have satisfied, to the extent of such amounts, the obligations of the Borrower to which such proceeds are applied as provided for in Section 4.13 herein.

(c) Return of Proceeds. If any Secured Party that has remitted proceeds of Collateral or other amounts to the Collateral Agent pursuant to any one or more of Section 7.5(a) or Section 7.5(b) shall thereafter be required to repay such proceeds or such other amounts to the original payor or obligee thereof, such Secured Party shall (i) notify the Collateral Agent in writing of the same and (ii) have a Lien on the Collateral, prior to the Lien securing the Secured Obligations (except the Lien in favor of the Collateral Agent pursuant hereto), securing the repayment of the proceeds so remitted to the Collateral Agent (less any portion thereof distributed to such Secured Party pursuant to Section 4 herein), *provided* that, upon written request by such Secured Party to the Collateral Agent, the Collateral Agent shall request the Person to whom such proceeds were disbursed to remit such proceeds to the Collateral Agent and such Person shall promptly comply with such request. The failure of the Collateral Agent to make any such request notwithstanding, each Person to whom such proceeds were disbursed shall be and remain obligated to remit such proceeds to the Collateral Agent and the Collateral Agent shall have no liability for any failure by a Secured Party to remit such proceeds as required by this Section 7.5(c).

(d) Sharing of Collateral. Except as otherwise provided in Section 7.5(a) through Section 7.5(c), inclusive, if any Secured Party shall obtain any property as security for the payment of any Secured Obligation held by it, such Secured Party shall promptly thereafter take such actions as shall be necessary to transfer such property to the Collateral Agent to be held as part of the Collateral, and the Collateral Agent shall deposit the proceeds from the disposition of any such property into the Collateral Proceeds Account and apply such proceeds as provided in Section 4 herein, in the order of priority set forth therein.

(e) Knowledge of an Event of Default. For purposes of this Section 7.5, a Secured Party shall be deemed to have knowledge of an Event of Default if any one or more of the officers or employees of such Secured Party assigned to oversee the Secured Obligations owned by such Secured Party:

(i) has actual knowledge of such Event of Default; or

(ii) receives written notice of such Event of Default from the Collateral Agent, another Secured Party, or the Borrower.

Section 7.6 [Reserved].

Section 7.7 Waivers. The Borrower covenants (to the extent that it may lawfully do so) that it will not at any time insist upon or plead, or in any manner claim or take the benefit or advantage of, any stay (except in connection with a pending appeal), valuation, appraisal, redemption or extension law now or at any time hereafter in force which, but for this waiver, might be applicable to any foreclosure sale made under any judgment, order, decree or otherwise based on this Agreement or any of the other Security Documents, and the Borrower (to the extent that it may lawfully do so) hereby expressly waives and relinquishes all benefit and advantage of any and all such laws and hereby covenants that it will not hinder, delay or impede the execution of any power herein granted and delegated to the Collateral Agent or granted and delegated to the Collateral Agent under any of the other Security Documents, but that it will suffer and permit the execution of every such power as though no such Law or Laws had been made or enacted.

Section 7.8 Fees and Expenses. If an Event of Default has occurred and is continuing, the Borrower will pay to the Secured Parties, to the extent permitted by Law, such amounts as shall be sufficient to cover the reasonable out-of-pocket costs and expenses, including, but not limited to, reasonable attorneys' fees and expenses, incurred by Secured Parties (pursuant to their respective rights under this Agreement to exercise remedies in respect of the Collateral) in collecting any such sums or in otherwise analyzing, evaluating, protecting, asserting, defending or enforcing any of their rights as set forth in any Security Document, or incident to, the enforcement of any of the provisions hereof and all other charges due against the Collateral, including, without limitation, taxes, assessments or Liens upon the Collateral and any reasonable out-of-pocket fees and expenses, including transfer or other taxes, arising in connection with any sale, transfer or other disposition of the Collateral (other than taxes determined by reference to the income of any Secured Party). Such fees and expenses shall be payable on demand together with interest thereon at the Default Rate applicable thereto, and the Borrower's obligation hereunder to pay such expenses shall be treated as a Secured Obligation hereunder.

Section 7.9 Effect of Sale. Any sale, following the occurrence and during the continuance of an Event of Default, whether under any power of sale hereby given or by virtue of judicial proceedings, shall, to the fullest extent permitted under applicable Law, operate to divest all right, title, interest, claim and demand whatsoever, either at law or in equity, of the Borrower in and to the property sold.

Section 7.10 Application of Proceeds. The Collateral Agent shall apply the cash proceeds of any action taken by it pursuant to this Section 7, after deducting all reasonable out-of-pocket costs and expenses of every kind incurred in connection therewith or incidental to the care or safekeeping of any Collateral or in any way relating to the Collateral or the rights and duties of the Collateral Agent under this Agreement, as set forth in Section 4.13 herein, in the order of priority set forth therein.

Section 7.11 Notice of Cure of Event of Default. If an Event of Default has ceased, the Secured Parties, to the extent that they have knowledge thereof, shall send notice that the Event of Default has ceased to the Collateral Agent and Borrower.

ARTICLE VIII

THE COLLATERAL AGENT

Section 8.1 Grant of Authority; Acceptance of Appointment. (a) Subject in all respects to the terms and provisions of this Agreement, each Secured Party and each holder of any Secured Obligations by its acceptance thereof hereby appoints the Collateral Agent to act as its agent and for its benefit with respect to the security interest in the Collateral created hereunder and the Liens created under the other Security Documents, and each of the Secured Parties authorizes the Collateral Agent to execute and deliver this Agreement and any other Security Document to which it is a party and to take such action as agent on its behalf and to exercise such powers hereunder and under the other Security Documents executed or accepted by the Collateral Agent in connection herewith as are specifically delegated to the Collateral Agent by the terms of this Agreement and to take such other actions as directed in writing by the Required Secured Parties to preserve and protect the security interests granted hereunder, in each case together with such other powers as are reasonably incidental thereto. Notwithstanding any provision apparently to the contrary elsewhere in this Agreement, the Collateral Agent shall not have any duties or responsibilities except those expressly set forth in this Agreement and the other Security Documents executed or accepted by the Collateral Agent in connection herewith. These duties shall be deemed purely ministerial in nature, and the Collateral Agent shall not be liable except for the performance of such duties, and no implied covenants, duties or obligations shall be read into this Agreement against the Collateral Agent. The permissive rights of the Collateral Agent to do things enumerated in this Agreement shall not be construed as a duty and, with respect to such permissive rights, the Collateral Agent shall not be answerable for other than its gross negligence or willful misconduct. The Collateral Agent shall be deemed to have accepted a Security Document for purposes herein (i) upon its execution of such Security Document or (ii) upon its written acknowledgement of its acceptance of such Security Document.

(b) The Collateral Agent hereby accepts its appointment as "Collateral Agent" hereunder, including, without limitation, its obligations hereunder and under the other Security Documents executed or accepted by the Collateral Agent in connection herewith, for the benefit of the Secured Parties, upon the terms expressly set forth herein. The Collateral Agent shall not have any obligation under or be charged with any knowledge with respect to any Security Document which is not executed or accepted by the Collateral Agent.

Section 8.2 Certain Duties and Responsibilities of Collateral Agent.

(a) Undertakings. The Collateral Agent:

(i) shall undertake to perform, and shall perform, only such duties as are specifically set forth in this Agreement and the other Security Documents executed or accepted by it and, if required by the terms of such documents, such duties as are directed by the Required Secured Parties to be performed, and no implied covenants or obligations shall be read into this Agreement or the other Security Documents against the Collateral Agent; and

(ii) may, in the absence of gross negligence or willful misconduct on its part, conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Collateral Agent and conforming to the requirements hereof or any other Security Document, but in the case of any such certificates or opinions which by any provision hereof are specifically required to be furnished to the Collateral Agent, the Collateral Agent shall be under a duty to examine the same to determine whether they conform to the requirements hereof as to form (but need not investigate the accuracy of the mathematical calculations therein).

(b) Direction. If an Event of Default shall have occurred and be continuing of which a Responsible CA Officer has actual knowledge or has received written notice from a Secured Party or the Borrower, the Collateral Agent may, and to the extent indemnified in accordance herewith and so directed in writing by the Required Secured Parties, shall exercise such of the rights and powers vested in it by this Agreement and the other Security Documents executed or accepted by it for the benefit of the Secured Parties. Each Secured Party hereby agrees that no such Secured Party shall have the right to direct the Collateral Agent to take any action required to be taken in accordance with the terms of this Agreement without the written consent of the Required Secured Parties. Nothing in this Section 8 shall limit the provisions of Section 7.4(b) hereof.

(c) No Exculpation. No provision hereof shall be construed to relieve the Collateral Agent from liability for its own gross negligent action or inaction (or failure to exercise reasonable care in the handling of funds in the Accounts) or its own willful misconduct, except that:

(i) this subsection shall not be construed to limit the effect of Section 8.2(a);

(ii) the Collateral Agent shall not be liable for any error of judgment made in good faith by an officer, agent, or by an employee thereof delegated responsibility for such judgment with due care of the Collateral Agent unless it shall be finally adjudicated by a court of competent jurisdiction that the Collateral Agent was grossly negligent in ascertaining the pertinent facts;

(iii) the Collateral Agent shall not be liable to any Secured Party with respect to any action taken or omitted to be taken by it, in good faith after an Event of Default shall have occurred and be continuing, in accordance with the direction of the Required Secured Parties;

(iv) the Collateral Agent shall not be liable to any Secured Party with respect to its failure to take any action under this Agreement or any of the other Security Documents directed by the Required Secured Parties if such action would, in the good faith opinion of the Collateral Agent, be unlawful or contrary to the terms and provisions of this Agreement or any other Security Document, or would subject the Collateral Agent to liability under any federal, state or local environmental protection laws or regulations. The Collateral Agent shall be entitled to take any action or to refuse to take any action which the Collateral Agent regards as necessary for the Collateral Agent to comply with any

applicable Law, regulation or fiscal requirement of any Governmental Authority or any court order binding upon it; and

(v) The Collateral Agent shall not be liable for any acts or omissions, except for such losses, damages or expenses which have been finally adjudicated by a court of competent jurisdiction to have directly resulted from the Collateral Agent's gross negligence or willful misconduct.

(d) Applicability of Section 8.2. Except where expressly provided otherwise, every provision hereof and of every other Security Document relating to the conduct or affecting the liability of or affording protection to the Collateral Agent shall be subject to the provisions of this Section 8.2.

Section 8.3 Certain Provisions with Respect to Collateral Agent's Rights to Compensation and Indemnification.

(a) Compensation. The Borrower covenants and agrees to pay to the Collateral Agent from time to time, and the Collateral Agent shall receive such compensation as shall be agreed in writing between the Borrower and the Collateral Agent for all services rendered by it in the execution and performance of any of the powers and duties hereunder and under the other Security Documents of the Collateral Agent, which compensation shall not be limited by any provision of Law in regard to the compensation.

(b) Indemnification. The Borrower shall indemnify, defend and hold harmless the Collateral Agent, each Secured Party, and each of their officers, directors, trustees, employees, investment advisors, attorneys, affiliates, and agents (collectively referred to in this clause (b) as the "*Indemnified Persons*") from and against, and reimburse each Indemnified Person for, any and all claims (whether involving the Borrower, any Secured Party or any third party), demands, liabilities, damages, judgments, penalties, and reasonable out-of-pocket costs, fees and expenses (including, without limitation, reasonable attorneys' fees and costs including those incurred in the investigation, defense and settlement of claims), but not taxes determined by reference to the income of the Collateral Agent or any Indemnified Person (all such items are referred to in this clause (b), collectively, as "*Losses*") which may be imposed upon, asserted against, or incurred or paid by any such Indemnified Person by reason of, on account of, or in connection with the transactions contemplated by this Agreement, including:

(i) the management and administration of this Agreement and any other Security Document by any Indemnified Person;

(ii) the enforcement of this indemnity;

(iii) any bodily injury, death or property damage occurring in or upon or in connection with the use, possession, maintenance, management or operation of the Project or any of the Collateral through any cause whatsoever;

(iv) any defect of title or lien or encumbrance on the Project that has a material adverse effect on its operations, operation or use or any act performed or omitted to be performed in good faith under this Agreement or any of the other Security Documents (or other Financing Documents to the extent related to the Security Documents) by any such Indemnified Person; or

(v) any transaction, suit, action or proceeding arising out of or in any way connected with this Agreement, any other Security Document or the Collateral; or

(vi) any Hazardous Material in violation of Environmental Legal Requirements (whether caused by the Borrower or any other party) and/or regarding the removal, remediation or clean-up of the same as and to the extent required by Environmental Legal Requirements.

Notwithstanding the foregoing or any other provision of the Financing Documents, the Borrower shall not be obligated to indemnify any Indemnified Person in respect of any of the foregoing matters if the liability of such Indemnified Person arose out of such Indemnified Person's gross negligence or willful misconduct (or, in the case of the Collateral Agent, failure to exercise reasonable care in the handling of funds in the Accounts), as determined by the final non-appealable judgment of a court of competent jurisdiction. The limitation set forth in the immediately preceding sentence shall apply to any other indemnity given to the Collateral Agent or any of the Secured Parties under this Agreement, under any other Security Document or under any Financing Document but the indemnity under this Section 8.3(b) shall supplement any other such indemnity and shall be in addition thereto. Each Indemnified Person shall promptly, and in any event within thirty (30) days after its receipt of written notice of the commencement of any action against it in respect of which indemnity may be sought under this Section 8.3(b), notify the Borrower in writing of such commencement. Unless in such Indemnified Person's reasonable judgment a conflict of interest between itself and the Borrower may exist in respect of such claim, such Indemnified Person, upon (i) written acknowledgement by the Borrower that it will pay any Losses in respect of such claim (subject to the gross negligence and willful misconduct qualifications set forth above) and (ii) reasonable evidence (including insurance) of its ability to pay such Losses, will permit the Borrower to assume the defense of such claim, with counsel reasonably satisfactory to such Indemnified Person, and if such defense is so assumed, the Borrower shall not enter into any settlement without the prior written consent of such Indemnified Person if such settlement attributes liability to such Indemnified Person and, under the circumstances contemplated hereinabove, the Borrower shall not be subject to any liability for any settlement made without its prior written consent (which shall not be unreasonably withheld, conditioned or delayed).

(c) Collateral Agent Expenses. The Borrower will promptly pay or reimburse the Collateral Agent, upon presentation by the Collateral Agent to such Person of an itemized statement, for all reasonable out-of-pocket expenses, disbursements and advances incurred or made by the Collateral Agent in accordance with any of the provisions hereof and of the other Security Documents (including the reasonable compensation and the reasonable expenses and disbursements of its counsel) except any such expense, disbursement or advance as may arise from the gross negligence or willful misconduct of the Collateral Agent. The Collateral Agent shall have no right against any Secured Party for the payment of compensation for the Collateral Agent's services hereunder or any expenses or disbursements incurred in connection with the exercise and performance of the

Collateral Agent's powers and duties hereunder or any indemnification against liability that the Collateral Agent may incur in the exercise and performance of such powers and duties (except in connection with indemnities provided separately by a Secured Party) but on the contrary, shall look solely to the Borrower for such payment and indemnification, *provided* that the Borrower's obligation hereunder to pay for such compensation, expenses, disbursements and indemnification (except against liability of the Collateral Agent in favor of a Secured Party, if any be established) shall be treated as a Secured Obligation hereunder and payable pursuant to Sections 4.3(b) and 4.13.

(d) Secured Party Indemnity. Nothing herein shall require the Trustee to indemnify the Collateral Agent, it being understood that any reference herein to indemnification from any Secured Party, Secured Creditor or Required Secured Parties shall instead be in reference to an indemnification from holders of Bonds or other creditors of any Additional Senior Secured Indebtedness.

(e) Survival. The obligations and liability of the Borrower and the Secured Parties under this Section 8.3 shall survive the foreclosure of, and realization upon, the Collateral and the payment in full of the Secured Obligations and any payment, release or discharge hereof and any or all security interests and Liens in the Collateral, the termination of this Agreement and the resignation or removal of the Collateral Agent.

Section 8.4 Certain Rights of Collateral Agent.

(a) No Representations and Covenants. The Collateral Agent shall not be responsible for any recitals or representations of the Borrower herein or in any Security Document or for insuring the Collateral, nor shall the Collateral Agent be bound to ascertain or inquire as to the performance or observance by the Borrower of any covenants, conditions or agreements contained herein, in any Security Document or in any other Financing Document.

(b) Knowledge of Defaults. Except in the case of a Default or an Event of Default of which a Responsible CA Officer has actual knowledge, the Collateral Agent shall be deemed to have knowledge of a Default or an Event of Default only upon receipt of written notice thereof from any of the Secured Parties or the Borrower.

(c) Representations and Covenants Exculpation; No Accountability. Except to the extent expressly provided in Section 6.8, the Collateral Agent makes no representation or warranty as to the validity, sufficiency or enforceability hereof, of any other Security Document or any instrument included in the Collateral, or as to the existence, genuineness, value, title or condition of any Collateral, or adequacy of insurance on, or otherwise with respect to, the Collateral. The Collateral Agent shall not be accountable to anyone for the use or application of the proceeds of the Secured Obligations or for the use or application of any property or the proceeds thereof which shall be released from the Lien of the Security Documents in accordance with the provisions hereof or any such Security Document. The Collateral Agent makes no representation or warranty as to the attachment, perfection or priority of the security interests and Liens contemplated hereby or by the other Security Documents and shall have no duty to monitor or maintain the attachment, perfection or priority of such security interests and Liens. The Collateral Agent is not responsible for insuring the Collateral or for payment of taxes, charges, assessments or Liens upon the Collateral or other maintenance of the Collateral.

(d) Reliance. The Collateral Agent may conclusively rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, note or other paper or document believed by it, in good faith, to be genuine and to have been signed or presented by the proper party or parties.

(e) Request; Direction; Authorization. All requests, directions, orders or authorizations made by any Secured Party to the Collateral Agent shall be in writing. All requests, directions, orders or authorizations made by the Borrower to the Collateral Agent shall be sufficiently evidenced by a request, direction or authorization in writing, delivered to the Collateral Agent, and signed in the name of such Person, as the case may be, by its authorized officer, manager, or member. The Collateral Agent shall have no responsibility or liability for any losses or damages of any nature that may arise from any action taken or not taken by the Collateral Agent in accordance with said written directions. Any resolution of the members or managers of such Person (or equivalent evidence of approval and authorization of action) shall be sufficiently evidenced by a copy of such resolution, certified by its authorized officer, manager or member to have been duly adopted and to be in full force and effect on the date of such certification, being delivered to the Collateral Agent.

(f) Professional Consultation. The Collateral Agent may consult with counsel, appraisers, engineers, accountants and other skilled persons to be selected by the Collateral Agent and approved by the Borrower (unless an Event of Default has occurred and is continuing, in which case, the approval of the Borrower shall not be required), such approval not to be unreasonably withheld or delayed, and the opinion or advice of any thereof shall be full and complete authorization and protection in respect of any action taken, or omitted by it hereunder in good faith and in reliance thereon; *provided* that the foregoing shall not relieve the Collateral Agent from liability for its own gross negligence or willful misconduct.

(g) Indemnity. Except as otherwise expressly provided herein, the Collateral Agent shall be under no obligation to take any action to protect, preserve or enforce any rights or interests in the Collateral or to take any action toward the execution or enforcement of this Agreement, whether on its own motion or on the request of any other Person, which in the opinion of the Collateral Agent may involve loss, liability or expense to it, unless one or more Secured Parties shall offer and furnish security or indemnity, reasonably satisfactory to the Collateral Agent, against loss, liability and expense to the Collateral Agent (it being acknowledged by the Collateral Agent that the indemnity provided in Section 8.3(d) is satisfactory to the Collateral Agent if the Secured Party providing such indemnification has a minimum net worth of at least $50,000,000); *provided* that the foregoing shall not require the Collateral Agent to advance, expend or risk its own funds or otherwise incur personal liability in the performance of its duties or in the exercise of any rights or remedies hereunder. Notwithstanding anything to the

contrary contained in this Agreement or any other Security Document, in the event that the Collateral Agent is entitled or required to exercise its remedies to acquire control or possession of the Project or other property constituting the Collateral, the Collateral Agent shall not be required to commence any such action or exercise any such remedy if the Collateral Agent has determined in good faith that the Collateral Agent may incur liability under any Environmental Legal Requirements as the result of the presence at, or release on or from, the Project or such other property of any Hazardous Materials unless the Collateral Agent has received security or indemnity from a Person, in an amount and in a form, all satisfactory to the Collateral Agent in its sole discretion, protecting the Collateral Agent from all such liability.

(h) Investigation. The Collateral Agent shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, note or other paper or document, unless requested in writing to do so by the Required Secured Parties. Whenever in the administration of this Agreement the Collateral Agent shall deem it desirable that a matter be proved or established prior to taking, suffering or omitting any action hereunder, the Collateral Agent may, in the absence of bad faith on its part, rely upon a direction of the Required Secured Parties or an officer's certificate delivered by the Borrower certifying as to such matter.

(i) Agents. The Collateral Agent may execute any of the rights or powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys and the Collateral Agent shall not be responsible for any misconduct or negligence on the part of any agent or attorney appointed by it with due care.

(j) Collateral. Subject to the provisions of this Section 8.4 and except to the extent specifically limited by applicable Law, the Collateral Agent shall not be liable or responsible in any way for the safekeeping of the Collateral or for any loss or damage thereto or for any diminution in the value thereof, or any act or default of any warehouseman, carrier, forwarding agency, or other Person whomsoever (except to the extent such loss or damage results from the Collateral Agent's gross negligence or willful misconduct hereunder), but the same shall be at the sole risk of the Borrower. The Collateral Agent will be deemed to have exercised reasonable care in the safekeeping and handling of property held in the Accounts if such Accounts are accorded treatment substantially equal to that which such Collateral Agent accords its own property.

(k) Consultation with Secured Parties. Whenever pursuant to the provisions hereof, of any other Security Document or of any other Financing Document it is required that any party hereto obtain the consent or approval of the Collateral Agent, or that any matter prove satisfactory to the Collateral Agent, the Collateral Agent, prior to giving any such consent or approval or indicating its satisfaction with any such matter, shall be required to consult with the Secured Parties in a manner deemed reasonable by the Collateral Agent, and the Collateral Agent shall only act or refrain from acting at the written direction of the Required Secured Parties with respect thereto.

(l) Individual Liability. The Collateral Agent shall not be required to advance, expend or risk its own funds or otherwise incur personal liability in the performance of its duties or in the exercise of any rights or remedies hereunder.

(m) Insurance. If the Borrower fails to procure or cause to be procured insurance for the Project in accordance with the terms of the Energy Resilience & Performance Agreement or the Loan Agreement, the Collateral Agent, if directed in writing by the Required Secured Parties (conditioned upon its prior receipt of sufficient funds and satisfactory indemnity and/or security and provided that the Collateral Agent will not be required to advance, expend or risk its own funds in connection therewith), and shall purchase insurance at the Borrower's expense to protect the Collateral Agent's interests in the Collateral in accordance with such direction. This insurance may, but need not, protect the Borrower's interests in the Collateral. The Borrower may later cancel any such insurance purchased by the Collateral Agent, but only after providing the Collateral Agent with evidence that the Borrower has obtained insurance as required by the Financing Documents. If the Collateral Agent purchases insurance for the Collateral, the Borrower will be responsible for the reasonable costs of that insurance, including interest and any other charges that the Collateral Agent may impose in connection with the placement of the insurance, until the effective date of the cancellation or expiration of the insurance. The costs of the insurance may be added to the Secured Obligations secured hereby. The costs of the insurance may be more than the cost of insurance the Borrower may be able to obtain on its own.

(n) Withholdings. Notwithstanding any other provision of this Agreement, the Collateral Agent shall be entitled to make a deduction or withholding from any payment which it makes under this Agreement for or on account of any Taxes if and to the extent so required by applicable Law; *provided* that the Borrower shall indemnify the Collateral Agent and the Secured Parties with respect to any such withholding, deduction or tax pursuant to the terms of Section 8.3(b).

(o) Patriot Act. In order to comply with the laws, rules, regulations and executive orders in effect from time to time applicable to banking institutions, including, without limitation, those relating to the funding of terrorist activities and money laundering, including Section 326 of the USA PATRIOT Act ("*Applicable Law*"), the Collateral Agent is required to obtain, verify, record and update certain information relating to individuals and entities which maintain a business relationship with the Collateral Agent. Accordingly, each of the Borrower and the Trustee agrees to provide to the Collateral Agent, upon Collateral Agent's prior written request, such identifying information and documentation as reasonably required by the Collateral Agent to enable the Collateral Agent to comply with Applicable Law.

(p) No Discretion. Notwithstanding anything else to the contrary herein, whenever reference is made in this Agreement to any discretionary action by, consent, designation, specification, requirement or approval of, notice, request or other communication from, or other direction given or action to be undertaken or to be (or not to be) suffered or omitted by the Collateral Agent or to any election, decision, opinion, acceptance, use of judgment, expression of satisfaction, reasonable satisfaction or other

exercise of discretion, rights or remedies to be made (or not to be made) by the Collateral Agent, it is understood that in all cases the Collateral Agent shall be fully justified in failing or refusing to take any such action under this Agreement if it shall not have received such written instruction, advice or concurrence of the Required Secured Parties, as it deems appropriate. This provision is intended solely for the benefit of the Collateral Agent and its successors and permitted assigns and is not intended to and will not entitle the other parties hereto to any defense, claim or counterclaim, or confer any rights or benefits on any party hereto.

(q) Special Damages. In no event shall the Collateral Agent or any Secured Party be responsible or liable for special, indirect, punitive or consequential loss or damage of any kind whatsoever (including but not limited to loss of profit, goodwill, reputation, business opportunity or anticipated saving) irrespective whether the Collateral Agent or such Secured Party has been advised of the likelihood of such loss or damage and regardless of the form of action.

(r) No Bond or Surety Required. So long as the Collateral Agent satisfies the requirements of Section 8.11, the Collateral Agent shall not be required to give any bond or surety in respect of the performance of its powers or duties hereunder.

(s) Force Majeure. The Collateral Agent shall not incur any liability for not performing any act or fulfilling any duty, obligation or responsibility hereunder by reason of an event or circumstance that (i) prevents or delays the Collateral Agent from performing its obligations (or causing such obligations to be performed) hereunder; (ii) is not (1) within the reasonable control of, or (2) the result of the gross negligence or willful misconduct of, such Collateral Agent; and (iii) by the exercise of commercially reasonable efforts which are consistent with accepted practices in the banking industry, the Collateral Agent is unable to overcome or avoid, or cause to be avoided (including but not limited to any act of God or war, civil unrest, local or national disturbance or disaster, any act of terrorism, pandemics, epidemics, recognized public emergencies, quarantine restrictions, interruptions, loss or malfunctions of utilities, communications or computer (software and hardware) services and other unavailability of the Federal Reserve Bank wire or facsimile or other wire or communication facility).

(t) No Filing Obligation. For the avoidance of doubt, nothing herein shall require the Collateral Agent to file financing statements, termination statements or continuation statements, or be responsible for maintaining the security interests purported to be created as described herein (except for the safe custody of any Collateral in its possession and the accounting for moneys actually received by it hereunder or under any other Financing Documents) and such responsibility shall be solely that of the Borrower. The Collateral Agent shall not be responsible for and makes no representation as to the existence, genuineness, value or protection of any Collateral, for the legality, effectiveness or sufficiency of any Financing Document, or for the creation, perfection, priority, sufficiency or protection of any liens securing the Secured Obligations.

(u) Right to Rely on Registrar. Absent the actual knowledge of the Collateral Agent to the contrary or receipt by the Collateral Agent of notice from the Required

Secured Parties to the contrary, the Collateral Agent shall have the right to rely conclusively on the register with respect to the Bonds maintained by the Trustee pursuant to the terms of the Indenture.

(v) Without imposing any obligations of the Trustee under the Indenture, the Collateral Agent shall enjoy the same rights, protections, immunities and indemnities afforded to the Trustee under the Indenture.

Section 8.5 Notices of Default. The Collateral Agent shall notify in writing all Secured Parties of any Default or Event of Default of which a Responsible CA Officer has actual knowledge, promptly and in any event within five (5) Business Days after its gaining such knowledge, by facsimile or email confirmed by delivery of notice by overnight courier sent the day of the email or telecopy.

Section 8.6 Status of Monies Received. All monies received by the Collateral Agent shall be held, until used or applied as herein provided, in a segregated account for the purposes for which they were received, and the Collateral Agent shall be under no liability for interest on any monies held by it hereunder or under the other Security Documents.

Section 8.7 Interested Transactions. If the Collateral Agent or any affiliated Person is the owner of any Secured Obligation, or is interested in any financial transaction with the Borrower, or acts as depositary or otherwise in respect of other securities of the Borrower held outside of the Collateral, at any time when an Event of Default has occurred and is continuing, then the Collateral Agent shall resign within thirty (30) days after the occurrence of such Event of Default, unless written consent authorizing or permitting the Collateral Agent to remain as Collateral Agent hereunder is obtained from the Required Secured Parties.

Nothing in this Section 8.7 shall prohibit the Collateral Agent or any affiliated corporation from acting as paying agent or trustee with respect to any Secured Obligations.

Section 8.8 Resignation of Collateral Agent. The Collateral Agent may resign and be discharged of its obligations hereunder by delivering a notice to the Borrower and the Secured Parties specifying the time and date when such resignation shall take effect. Such resignation shall take effect at the time and on the date specified in such notice (being not less than sixty (60) days after such notice shall have been given) unless previously a successor collateral agent shall have been appointed as herein provided, in which event such resignation shall take effect immediately upon the appointment of such successor, *provided* that, unless the continuance by the Collateral Agent of its obligations hereunder shall be in violation of applicable Law, such resignation shall not take effect until a successor collateral agent shall have been appointed and accepted its appointment as hereinafter provided. If no successor collateral agent has been appointed and has accepted its appointment within forty-five (45) days after notice of the resignation of the resigning Collateral Agent, the resigning Collateral Agent may, at the expense of the Borrower, petition a court of competent jurisdiction for the appointment of a successor collateral agent.

Section 8.9 Removal of Collateral Agent.

(a) Removal by the Secured Parties. The Collateral Agent may be removed (with or without cause) at any time by an instrument or concurrent instruments in writing

signed and acknowledged by the Required Secured Parties and delivered to each of the Secured Parties and the Borrower. Such notice shall include a statement that the Required Secured Parties have obtained the commitment of a successor collateral agent that satisfies all the requirements hereof applicable to the Collateral Agent (including, without limitation, Section 8.11) to assume the obligations of the Collateral Agent hereunder (such appointment being subject, in any event, to the consent of the Required Secured Parties under Section 8.10). Such removal shall take effect at the time and on the date specified in such notice (being not less than thirty (30) days after such notice shall have been given) unless previously a successor collateral agent shall have been appointed and accepted its appointment as herein provided, in which event such removal shall take effect immediately upon the appointment of such successor, *provided* that, unless the continuance by the Collateral Agent of its obligations hereunder shall be in violation of applicable Law, such removal shall not take effect until a successor collateral agent shall have been appointed and accepted its appointment as hereinafter provided.

(b) Removal by the Borrower.

(i) *Request.* The Borrower may request that the Collateral Agent be removed if such request:

(1) is in writing and is delivered to each Secured Party;

(2) describes in reasonable detail the reasons for such removal, which reasons shall themselves be reasonable;

(3) certifies that no Default or Event of Default exists at the time of the issuance of such request or would be caused thereby; and

(4) states that the Borrower has obtained the written consent of the Health System and the commitment of a successor collateral agent which satisfies the requirements of Section 8.11 to assume the obligations of the Collateral Agent hereunder and under the other Security Documents.

(ii) *Consent by the Required Secured Parties.* The Required Secured Parties shall not unreasonably withhold their consent to a request made under Section 8.9(b)(i), *provided* that, without limiting the foregoing, such consent may in any case be withheld if:

(1) any Default or Event of Default then exists or, after giving effect to such request, would exist;

(2) the Borrower shall have failed to satisfy any of the conditions or requirements set forth in this Section 8.9(b);

(3) the request would, in the reasonable opinion of the Required Secured Parties, result in, or cause to occur, a materially adverse impairment of the Collateral or the enforceability of the Security Documents; or

(4) the Required Secured Parties reject the Borrower's recommendation for a successor collateral agent on the basis that (I) such successor collateral agent has a conflict of interest with its obligations hereunder and under the Security Documents, (II) such successor collateral agent, under applicable Law, would not or may not be deemed to be the sole agent and representative of the Secured Parties, or (III) in the reasonable opinion of the Required Secured Parties, such successor collateral agent does not have the capability to fully discharge its duties to the Secured Parties hereunder and under the Security Documents.

(iii) *Subsequent Removal.* Any successor collateral agent to be appointed under this Section 8.9(b) shall nonetheless be subject to removal at the discretion of the Required Secured Parties under Section 8.9(a) and shall be subject to all the requirements of a successor collateral agent (including, without limitation, the requirements of Section 8.11). The rights of the Secured Parties under Section 8.10 shall not be in any way impaired or restricted by virtue of the Borrower's ability to make requests under this Section 8.9(b).

Section 8.10 Appointment of Successor Collateral Agent. If:

(a) the Collateral Agent shall have given notice of resignation pursuant to Section 8.8; or

(b) notice of removal shall have been given pursuant to Section 8.9;

a successor collateral agent may be appointed by the Required Secured Parties at such time or, in accordance with Section 8.9(b), may be appointed by the Borrower in each case with the consent of (x) the Required Secured Parties and (y) so long as no Event of Default has occurred and is continuing, the Borrower. If no such appointment and acceptance of appointment shall have been made within forty-five (45) days after the giving of such notice of resignation or the giving of such notice of removal, a successor collateral agent may be appointed, upon application of the retiring Collateral Agent, any Secured Party or the Borrower, by any court of competent jurisdiction at the expense of the Borrower, such appointment being effective upon acceptance of the appointment by the successor collateral agent. During any period during which no such appointment shall have been made or accepted, the Required Secured Parties may act as and in the place of the Collateral Agent, and shall have all the rights, remedies, powers, privileges, immunities and indemnities as the Collateral Agent would have in so doing.

Section 8.11 Requirements of Collateral Agent. Each Collateral Agent appointed herein, or its successor, shall:

(a) be a trust company or banking corporation or national association located and organized under the laws of the United States of America or any state thereof or the District of Columbia;

(b) have a combined capital and surplus of at least $100,000,000 (or shall be a wholly-owned subsidiary of an association or corporation that has such combined capital and surplus);

(c) be in compliance with Section 8.7; and

(d) be qualified to act as the Collateral Agent hereunder in all applicable jurisdictions including, without limitation, each state in which any Collateral is located.

Section 8.12 Merger or Consolidation of Collateral Agent. Any trust company, banking corporation or national association into which the Collateral Agent, or any successor to it under this Agreement, may be merged or converted or with which it or any successor to it may be consolidated or any trust company, banking corporation or national association resulting from any merger or consolidation to which the Collateral Agent or any successor to it shall be a party, or any trust company, banking corporation or national association succeeding to all or substantially all of the corporate trust business of the Collateral Agent, shall be the successor to the Collateral Agent under this Agreement without the execution or filing of any paper or any further act on the part of any of the parties hereto, *provided* that the requirements of Section 8.11 are satisfied with respect to any such trust company, banking corporation or national association. The Borrower covenants that in case of any such merger, consolidation or conversion it will, upon the request of the merged, consolidated or converted trust company, banking corporation or national association, execute, acknowledge and cause to be recorded or filed suitable instruments in writing, as may be necessary, to confirm the estates, rights and interests of such trust company, banking corporation or national association as Collateral Agent under this Agreement.

Section 8.13 Conveyance upon Request of Successor Collateral Agent. Should any deed, conveyance or instrument in writing from the Borrower be required by any successor collateral agent for more fully and certainly vesting in, and confirming to, such successor collateral agent the estates, rights, powers and duties conferred herein, then upon request of such successor collateral agent any and all such deeds, conveyances and instruments in writing shall be made, executed, acknowledged and delivered, and shall be caused to be recorded and filed, by the Borrower.

Section 8.14 Acceptance of Appointment by Successor Collateral Agent. Any successor collateral agent appointed pursuant to any of the provisions hereof shall execute, acknowledge and deliver to the Borrower and the Secured Parties at such time an instrument accepting such appointment; and thereupon such successor collateral agent, without any further act, deed or conveyance, shall become vested with all the estates, properties, rights, powers and trusts of its predecessor in the rights hereunder with like effect as if originally named as Collateral Agent herein; but, nevertheless upon the written request of the Borrower or of the successor collateral agent and payment of all amounts then owing to the Collateral Agent ceasing to act, the Collateral Agent ceasing to act shall execute and deliver an instrument transferring to such successor collateral agent all the estates, properties, rights and powers of the Collateral Agent so ceasing to act, and shall duly assign, transfer and deliver any of the property and monies held by the Collateral Agent to the successor collateral agent so appointed in its place. Upon acceptance of appointment by a successor collateral agent as provided in this Section 8.14, the Borrower shall, upon obtaining actual knowledge of such acceptance and appointment, give to all Secured Parties at such time written notice of the succession of such Collateral Agent hereunder. If required by law to preserve the first priority perfected security interest, an amendment to the UCC-1 financing statements may be filed upon a change in the party serving as Collateral Agent. Neither failure so to deliver, nor any defect in the notice so delivered, shall affect the sufficiency of the proceedings in question.

Section 8.15 Co-Collateral Agents.

(a) Appointment. If, at any time or times, in order to conform with any applicable Law of any jurisdiction in which the Borrower shall then own or hold any property that constitutes Collateral, or to otherwise assist in the performance of its duties hereunder, the Collateral Agent shall determine or be advised by counsel satisfactory to it that it is necessary or prudent in the interest of the Secured Parties so to do, the Collateral Agent shall execute and deliver any and all instruments and agreements necessary or proper to appoint another trust company, bank or banking association, or one or more Persons, approved by the Collateral Agent, either to act as co-collateral agent or co-collateral agents hereunder, jointly with the Collateral Agent, or to act as separate agent or agents hereunder, and the trust company, bank or banking association or the Person or Persons so appointed shall be such co-collateral agent or co-collateral agents, or separate agent or agents, with such powers, duties and discretion as shall be specified in the said instruments or agreements of appointment, executed as aforesaid. The Collateral Agent shall not be liable by reason of any act or omission of any other co-collateral agent or co-collateral agents, or separate agent or agents appointed pursuant to this Agreement.

(b) Performance. The rights, powers, duties and obligations conferred or imposed upon the Collateral Agent shall be conferred and imposed upon, and exercised or performed by the Collateral Agent, or jointly by the Collateral Agent and any co-collateral agent or co-collateral agents or separate agent or agents appointed pursuant to this Section 8.15, as provided herein or in the instrument or agreement appointing such co-collateral agent or co-collateral agents or separate agent or agents, except to the extent that under the Law of any jurisdiction in which any particular act or acts are to be performed the Collateral Agent shall be incompetent or unqualified to perform such act or acts, in which event such rights, powers, duties and obligations shall be exercised and performed by such co-collateral agent or co-collateral agents or separate agent or agents.

(c) Power of Attorney. Any co-collateral agent or co-collateral agents or separate agent or agents appointed hereunder may at any time by an instrument in writing constitute the Collateral Agent his, her, their or its agent or attorney-in-fact, with full power and authority (and with full right of substitution), to the extent which may be permitted by Law, to do any and all acts and things and exercise any and all discretion authorized or permitted by him, them or it, for and on behalf of him, them or it, and in his, her, their or its name.

(d) Notice. The Collateral Agent will, as promptly as practicable, give written notice in reasonable detail of the appointment of any co-collateral agent or separate agent under this Section 8.15 to each of the Secured Parties and the Borrower.

(e) Resignation; Removal. Each co-collateral agent or separate agent appointed pursuant to the provisions of this Section 8.15 may resign and may be removed and successors to such agents may be appointed in the same manner that the Collateral Agent

may resign or be removed or a successor to the Collateral Agent appointed as in this Section 8.15; *provided* that all of the provisions hereof with respect to the resignation or removal of the Collateral Agent or the appointment of a successor to the Collateral Agent, and the effect thereof, shall be deemed applicable to the resignation or removal of each co-collateral agent or separate agent appointed pursuant to the provisions of this Section 8.15 or to the appointment of successors to such agents, as the case may be.

Section 8.16 Costs and Expenses. The Borrower shall pay all reasonable out-of-pocket costs and expenses incurred by the Collateral Agent and the Secured Parties in connection with any removal, resignation and appointment of the Collateral Agent, co-collateral agents or separate agents, including, without limitation, all reasonable attorney's fees, all UCC search and/or filing fees and all other recording taxes, documentary taxes, stamp taxes or other similar taxes in connection with any such request.

Section 8.17 Statements, Reports and Notices. (a) Within fifteen (15) days after each calendar month in each calendar year, the Collateral Agent shall provide or cause to be provided to each Secured Party (if requested in writing) and the Borrower statements showing the amount of each deposit into the Accounts held at the Collateral Agent during such month, the amount and recipient of each payment or distribution from each such Account held at the Collateral Agent during such month, the balance of each Account held at the Collateral Agent as of the end of such month, and all earnings, profits, or losses on investment of amounts in the Accounts held at the Collateral Agent during such month. The requirements of this subsection 8.17(a) may be performed by the Collateral Agent by granting the Borrower and each Secured Party on-line read-only access to the Accounts.

(b) In the event (i) the Collateral Agent shall have received any written request from the Borrower for consent to or approval of any matter or thing relating to any Collateral or the Borrower's obligations with respect thereto or (ii) there shall be due from the Collateral Agent under the provisions of any Security Document any performance or the delivery of any instrument, then, in each such event, the Collateral Agent shall promptly send to each of the Secured Parties a notice setting forth, in reasonable detail, an account of the matter or thing as to which such consent has been requested or the performance or instrument required to be so delivered, as the case may be.

(c) The Collateral Agent shall provide or cause to be provided to each Secured Party, within five (5) Business Days after receipt thereof, copies of any notices, instruments, statements, reports, requests, officer's certificates, and other documents or instruments furnished by the Borrower to the Collateral Agent under or pursuant to any Security Documents or Material Contracts; *provided, however,* that the foregoing obligation shall not require the Collateral Agent to distribute ministerial or routine day-to-day communications to the Secured Parties.

Section 8.18 Advances. Upon the occurrence and during the continuance of an Event of Default, the Collateral Agent may, but shall not be obligated to (but subject to the terms of the Financing Documents and upon prior notice to the Borrower), perform any covenant or agreement required to be performed hereunder or any other Security Document on behalf of the Borrower and in so doing may expend such sums as the Collateral Agent may reasonably deem advisable in the performance thereof, including the payment of any taxes, liens and encumbrances, expenditures made in defending against any adverse claim and all other expenditures which the Collateral Agent may be compelled to make by operation of law or which the Collateral Agent may make by agreement or otherwise for the protection of the security hereof. All such sums and amounts so expended shall be repayable by the Borrower immediately upon demand, shall constitute additional Secured Obligations and shall bear interest from the date said amounts are expended at the Default Rate. No such performance of any covenant or agreement by the Collateral Agent on behalf of the Borrower, and no such advance or expenditure therefor, shall relieve the Borrower of any default under the terms of this Agreement or any other Financing Document. The Collateral Agent, in making any payment hereby authorized, may do so according to any bill, statement or estimate procured from the appropriate public office or holder of the claim to be discharged without inquiry into the accuracy of such bill, statement or estimate or into the validity of any tax assessment, sale, forfeiture, tax lien, title or claim.

Section 8.19 No Duty to Monitor Other Parties. Neither the Collateral Agent nor any of its directors, officers, employees, agents or affiliates shall be responsible for nor have any duty to monitor the performance or any action of the Borrower, or any of their directors, members, officers, agents, affiliates or employee, nor shall it have any liability in connection with the malfeasance or nonfeasance by such party. The Collateral Agent may assume performance by all such Persons of their respective obligations. The Collateral Agent shall have no enforcement or notification obligations relating to breaches of representations or warranties of any other Person.

Section 8.20 Compliance with Legal Orders. In the event that the Collateral shall be attached, garnished or levied upon by any court, order, or the delivery thereof shall be stayed or enjoined by an order of a court, or any order, judgment or decree shall be made or entered by an order of a court, or any order, judgment or decree shall be made or entered by any court order affecting the Collateral, the Collateral Agent is hereby expressly authorized, in its sole discretion, to respond as it deems appropriate or to comply with all writs, orders or decrees so entered or issued, or which it is advised by legal counsel of its own choosing is binding upon it, whether with or without jurisdiction. In the event that the Collateral Agent obeys or complies with any such writ, order or decree it shall not be liable to any of the Parties or to any other person, firm or corporation, should, by reason of such compliance notwithstanding, such writ, order or decree be subsequently reversed, modified, annulled, set aside or vacated.

ARTICLE IX

[RESERVED]

ARTICLE X

AMENDMENTS AND WAIVERS

Section 10.1 Amendments and Waivers.

(a) In General. This Agreement may be amended, and the observance of any term hereof or thereof may be waived, only in writing by agreement of the Collateral Agent and the Borrower (in the form of a supplement or otherwise), and only with the written

consent of the Required Secured Parties (in their sole discretion), *provided* that no such amendment or waiver shall, without the consent of all Secured Parties adversely affected thereby:

(i) permit the creation of any Lien or security interest with respect to any of the Collateral (excluding Permitted Liens) in favor of any Person other than the Collateral Agent for the benefit of the Secured Parties;

(ii) effect the deprivation of any Secured Party of the benefit of any Lien in and to the Collateral;

(iii) amend or waive Article II, III, IV or VII or Sections 6.2, 6.3, 8.5, 8.6, 8.16, 10.1, 10.2 or 10.3 or amend any defined term to the extent used therein;

(iv) reduce the amounts of debt service payments owed to such Secured Party under its Financing Documents;

(v) modify the definition of "Required Secured Parties," or "Secured Obligations" or any definition used therein to the extent used therein, or otherwise change the percentage of the aggregate principal amount of Secured Obligations the holders of which are required to consent to any such waiver or supplemental agreement or amendment or modification pursuant to this Section 10.1;

(vi) permit any sale, transfer, assignment, conveyance or pledge of Collateral not permitted herein or in any other Financing Document; and

(vii) alter any provisions relative to payment or priority of the Secured Obligations or Liens securing the Secured Obligations.

No such amendment or waiver shall modify the rights, duties or immunities of the Collateral Agent, without the express written consent of the Collateral Agent.

(b) Ministerial Amendments. Notwithstanding the provisions of Section 10.1(a), the Borrower and the Collateral Agent may, without the consent of the Secured Parties, enter into an amendment or supplement hereto for any one or more of the following purposes:

(i) to cure any ambiguity or cure, correct or supplement any defect or inconsistent provision hereof or any supplement hereto or thereto, *provided* that none of the foregoing shall adversely affect or diminish the rights of the Secured Parties in any material respect;

(ii) to add any additional property as Collateral;

(iii) to appoint any co-collateral agent or separate or successor collateral agent in accordance with the terms hereof so long as any such Person shall not be required to perform any duties or be exposed to any liabilities except as provided herein;

(iv) to provide for the joinder of any additional Secured Party pursuant to a Joinder and otherwise in accordance with the terms hereof; and

(v) to effectuate any amendments or supplements so long as such amendments or supplements do not result in a "Material Adverse Effect" (as defined in the Indenture), on the rights, interests or security of the Bondholders (as certified by a Borrower Representative).

Section 10.2 Notice of Amendment or Waiver. Promptly after the execution by the Borrower and the Collateral Agent of any amendment or waiver, the Borrower shall give written notice, together with a conformed copy thereof, to each Secured Party at such time. The Collateral Agent shall, following its request, be provided with a confirmation of the identity and contact information of the Secured Parties by the Borrower in accordance with the terms of Section 12.3 prior to providing such written notice. Any failure of the Borrower to give such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such document.

Section 10.3 Solicitation of Secured Parties. The Borrower will not solicit, request or negotiate for or with respect to any proposed amendment or waiver, or consent with respect thereto, of any of the provisions hereof or any other Security Document unless each Secured Party shall be informed thereof by the Borrower and shall be afforded the opportunity of considering the same. The Borrower will not, directly or indirectly, pay or cause to be paid any remuneration, whether by way of supplemental or additional interest, remuneration, fee or otherwise, to any Secured Party as consideration for or as an inducement to entering into by any Secured Party of any waiver, modification or amendment of, or agreement with respect to, any of the terms and provisions hereof or the other Security Documents unless such remuneration or fee is concurrently paid, on the same terms, ratably according to amount of outstanding Secured Obligations, to all Secured Parties holding Secured Obligations at the time (regardless of whether such Secured Party executed such amendment or waiver).

Section 10.4 Opinion of Counsel Conclusive as to Amendments and Waivers. The Collateral Agent is hereby authorized to join with the Borrower in the execution of any amendment, waiver or consent authorized or permitted by the terms hereof and to make the further agreements and stipulations that may be therein contained, and, in connection therewith, the Collateral Agent shall receive and may conclusively rely on an opinion of counsel and officers' certificate (as to matters of fact) as conclusive evidence that any such document executed pursuant to the provisions of this Section 10 is authorized or permitted by the terms of this Agreement, complies with the requirements of this Section 10, is the legal, valid and binding obligation of the Borrower and that all conditions precedent have been satisfied or waived.

Section 10.5 Effect of Amendments and Waivers. Upon the execution of any amendment, waiver or consent pursuant to the provisions of this Section 10, this Agreement shall be, and be deemed to be, amended and modified in accordance therewith, and the respective rights, duties and obligations of the Borrower, the Collateral Agent and all Secured Parties hereunder shall thereafter be determined, exercised and enforced hereunder and thereunder, subject in all respects to such amendment and waiver, and all the terms and conditions of any such amendment or waiver shall be and be deemed to be part of the terms and conditions hereof for any and all purposes.

Section 10.6 Additional Security Documents; Amendments to Recorded Documents and Instruments. Upon the written request of the Required Secured Parties, the Collateral Agent will duly execute and deliver such instruments and documents as may become necessary to reflect, in the public records in which any instrument or document has been filed evidencing the Liens granted to the Collateral Agent pursuant to the Security Documents, any amendment to the description of the Collateral by reason of any amendment or restatement of this Agreement or any other Security Document. Without limiting the foregoing, upon receipt by the Collateral Agent of a written request of the Borrower signed by a Responsible Officer (a "*Security Document Order*"), the Collateral Agent is hereby authorized to execute and enter into, and if satisfactory in form and substance to the Collateral Agent, the Collateral Agent shall execute and enter into, without further consent of any other Secured Party, any Security Document to be executed after the date hereof. Such Security Document Order shall (i) state that it is being delivered to the Collateral Agent pursuant to, and is a Security Document Order referred to in this Section 10.6, (ii) instruct the Collateral Agent to execute and enter into such Security Document and (iii) certify that all conditions precedent hereunder and under any Financing Document to the execution and delivery of the Security Document have been satisfied. The Holders, by their acceptance of the Bonds, and any holders of Additional Senior Secured Indebtedness hereby authorize and direct the Collateral Agent to execute such Security Documents.

ARTICLE XI

TERMINATION

(a) <u>In General</u>. If (A) (i) the Borrower shall fully, finally and indefeasibly pay, or cause to be paid, in cash, all Secured Obligations, (ii) all commitments of the Secured Parties shall have been irrevocably terminated and (iii) all other obligations of the Borrower with respect to the Secured Obligations shall have terminated (other than those which by their express terms survive) or (B) a Borrower Substitution occurs in accordance with the Indenture, then and in that case and without further action by any Person this Agreement shall cease, terminate and become null and void, all Liens in the Collateral in respect of the Secured Obligations shall be released and terminated and thereupon the Collateral Agent shall, upon the written request of the Borrower (or, if a Borrower Substitution shall have occurred, to or at the direction of the Health System) or any other party to the Security Documents, forthwith (1) authorize, execute, and deliver proper instruments terminating or acknowledging the termination of this Agreement, the other Security Documents, the Liens created pursuant thereto and any related UCC financing statements and any other related filings in public offices and (2) transfer title to and possession of all Collateral to the Borrower (or, if a Borrower Substitution shall have occurred, to or at the direction of the Health System). The termination hereof and of the other Security Documents shall be without prejudice to the rights of the Collateral Agent under Section 8.3 to charge and be reimbursed by the Borrower for any expenditures that it may thereafter incur in connection herewith and without prejudice to the rights of the Collateral Agent and any Secured Party under any provisions hereof or in the other Security Documents, the effectiveness of which is therein expressly provided to survive any one or more of the payment of any of the Secured Obligations and the termination hereof, *provided* that, in any event and notwithstanding the survival of such rights, the Liens in and to the Collateral shall be released upon the termination of this Agreement hereof as provided in the first sentence of this Section 11.

(b) Invalidity. If all or any part of any payment on account of the Secured Obligations made prior to, or contemporaneously with, a termination of this Agreement shall be invalidated, set aside, declared or found to be void or voidable or required to be repaid to the Borrower, any trustee, custodian, receiver, conservator, master, liquidator or other Person pursuant to any bankruptcy or insolvency law or pursuant to any common law or equitable cause, then, to the extent of such invalidation, set aside, voidness, voidability or required repayment, neither the Secured Obligations nor the Liens created hereunder or any other Security Document shall be deemed to have been paid, satisfied, released or discharged under this Section 11, and, to the extent of such invalidation, set aside, voidness, voidability or required repayment, the Secured Obligations and such Liens shall be immediately and automatically revived without the necessity of any action by the Borrower, the Collateral Agent or any of the Secured Parties, and such Liens shall continue in full force and effect thereafter until all of the Secured Obligations shall have been fully, finally and indefeasibly paid in cash. This Section 11 shall survive termination of this Agreement.

ARTICLE XII

EVIDENCE OF RIGHTS OF SECURED PARTIES

Section 12.1 Execution by Secured Parties or Agents. Any request, consent or other instrument required by this Agreement to be signed and executed by any Secured Party may be signed in any number of concurrent writings of substantially similar tenor and may be signed or executed by such Secured Party in person or by agent or agents duly appointed in writing. Proof of the execution of any such request, consent or other instrument or of a writing appointing any such agent shall be sufficient for any purpose hereof and be conclusive in favor of the Collateral Agent or in favor of the Borrower if made in the manner provided in this Section 12.

Section 12.2 Proof of Execution. The fact and date of the execution by any individual of any request, consent or other instrument or writing required by this Agreement, if required, may be proved, as to any Person, by (i) a certificate of another officer of such Person certifying that the individual signing such request, consent or other instrument is an officer of such Person or (ii) the affidavit of a witness of such execution or by the certificate of any notary public or other officer of any jurisdiction, authorized by the laws thereof to take acknowledgements of deeds, certifying that the individual signing such request, consent or other instrument acknowledged to him the execution thereof in his individual capacity or in his capacity as an authorized representative of the Person on whose behalf he executed such request, consent or other instrument in writing.

Section 12.3 Secured Party Lists. The Borrower shall furnish to the Collateral Agent (i) within fifteen (15) days of any change in the names, addresses, email addresses and telecopy numbers of each Secured Party or the aggregate principal amount of Secured Obligations held by each such Secured Party, notice of such change, (ii) prompt written notice (and in any event within three (3) Business days after the occurrence thereof) of any Default or Event of Default, which notice shall describe in reasonable detail the nature of such Default or Event of Default and the

steps, if any, being taken to cure the same, and (iii) at such other times as the Collateral Agent may request in writing, in each case, a list of the names, addresses and telecopy numbers of each Secured Party and the aggregate principal amount of Secured Obligations held by each such Secured Party, in such form and as of such date as the Collateral Agent may reasonably require. During the continuance of an Event of Default, the Collateral Agent may from time to time request confirmation by the Secured Parties of the foregoing information provided by the Borrower.

ARTICLE XIII

MISCELLANEOUS

Section 13.1 Communications. (a) All notices and communications provided for hereunder shall be in writing and sent (i) by facsimile or electronic mail if the sender on the same day sends a confirming copy of such notice by a recognized overnight delivery service (charges prepaid) (provided no confirming copy need be delivered if receipt is otherwise confirmed), or (ii) by registered, express, priority or certified mail with return receipt requested (postage prepaid) or confirmation of receipt, or (iii) by a recognized overnight delivery service (with charges prepaid). Any such notice must be sent:

If to Borrower: Madrone – South County Hospital EaaS I, LLC
c/o Madrone Health Foundation
2081 Center Street
Berkeley, California 94704
Attention: President
Email: notice@madrone.org

With a Copy to:

Hawkins Delafield & Wood LLP
388 Market Street, Suite 900
San Francisco, California 94111
Attention: Michael Charlebois
Email: mcharlebois@hawkins.com

or at such other address as the Borrower shall have specified to the Collateral Agent in writing. Notices under this Section 13.1 will be deemed given only when actually received.

If to the Collateral Agent:

Argent Trust Company
4224 Bluebonnet Blvd, Suite A
Baton Rouge, LA 70809
Attn: John C. Shiroda

or to such other address as the Collateral Agent shall have furnished in writing to the Borrower and the Secured Parties. Communications to any Secured Party shall be delivered to such Secured

Party at the mailing address or email address of such Secured Party set forth in a Joinder or supplement to this Agreement pursuant to Section 13.9, or as such Secured Party shall otherwise have furnished in writing to the Borrower and the Collateral Agent.

(b) When Given. Any communication addressed and delivered as herein provided shall be deemed to be received when actually delivered to the address of the addressee or when confirmed to have been received by telephone call by the sender to the Collateral Agent or by any other written confirmation (including by telecopy or electronic mail) from the Collateral Agent to the sender. Any communication not so addressed and delivered shall be ineffective.

Section 13.2 Survival. All warranties, representations and covenants contained herein or made in writing by or on behalf of the Borrower in connection herewith or in connection with any Security Document shall survive the execution and delivery hereof and any Secured Obligation and the payment of any Secured Obligation.

Section 13.3 Successors and Assigns. Whenever any of the parties hereto is referred to, such reference shall be deemed to include the permitted successors and assigns of such party, including all future holders of Secured Obligations, and all the covenants, promises and agreements contained in this Agreement or any other Security Document by or on behalf of the Borrower, the Collateral Agent or the Secured Parties shall bind and inure to the benefit of the respective permitted successors and assigns of such parties whether so expressed or not.

Section 13.4 Benefits of Agreement Restricted to Parties and Secured Parties. Nothing in this Agreement expressed or implied is intended or shall be construed to give to any Person other than the Borrower and the Secured Parties any legal or equitable right, remedy or claim under or in respect hereof or any covenant, condition or provision therein or herein contained; and all such covenants, conditions and provisions are and shall be held to be for the sole and exclusive benefit of the Borrower and the Secured Parties.

Section 13.5 Reproduction of Documents. This Agreement and all documents relating hereto may be reproduced by any Secured Party, the Collateral Agent and the Borrower by any photographic, photostatic, microfilm, micro-card, miniature photographic, digital or other similar process and each Secured Party may destroy any original document so reproduced. Any such reproduction shall be admissible in evidence as the original itself in any judicial or administrative proceeding (whether or not the original is in existence and whether or not such reproduction was made by the producing Person in the regular course of business) and any enlargement, facsimile or further reproduction of such reproduction shall likewise be admissible in evidence.

Section 13.6 Governing Law. THIS AGREEMENT SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF NEW YORK.

Section 13.7 Electronic Signatures; Counterparts. This Agreement and any document, amendment, approval, consent, information, notice, certificate or authorization relating to this Agreement may be in the form of an electronic record and may be executed using electronic signatures and, in each case, shall be considered an original, having the same legal effect, validity and enforceability as a paper record. For the avoidance of doubt, the authorization under this

paragraph may include, without limitation, use or acceptance of a manually signed paper document that has been converted into electronic form (such as scanned into PDF format) or an electronically signed document converted into another format for transmission, delivery and/or retention. The exchange of copies of this Agreement and of signature pages by facsimile or PDF transmission shall constitute effective execution and delivery of this Agreement as to the parties hereto and may be used in lieu of the original Agreement for all purposes. The party providing executed documentation through electronic transmission or otherwise with electronic signatures agrees to assume all risks arising out of such electronic methods, including, without limitation, the risk of the Collateral Agent acting on unauthorized instructions and the risk of interception and misuse by third parties. Signatures of the parties hereto transmitted by facsimile or PDF shall be deemed to be their original signatures for all purposes. Notwithstanding the foregoing, upon request of any party hereto, any electronic signature shall be promptly followed by a manually executed counterpart. This Agreement may be executed in as many counterparts as necessary or convenient, including both paper and electronic counterparts, but all such counterparts are one and the same instrument.

Section 13.8 Partial Invalidity. The unenforceability or invalidity of any provision or provisions of this Agreement shall not render any other provision or provisions contained in this Agreement unenforceable or invalid.

Section 13.9 Joinder. Any Secured Party (except for the Issuer) not executing and delivering this Agreement on the date hereof shall execute and deliver a joinder to the Borrower and the Collateral Agent in a form acceptable to the Collateral Agent (a "*Joinder*"). Promptly upon the execution and delivery of a Joinder, such holder, as applicable, shall be deemed a "*Secured Party*" for all purposes herein. Any reasonable costs, fees or expenses incurred by the Collateral Agent or any Secured Party in connection with the execution and delivery of a Joinder to this Agreement shall be paid on demand by the Borrower.

To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify and record information that identifies each Person who is a customer of such institution.

For a non-individual Person such as a business entity, a charity, a trust or other legal entity the Collateral Agent may ask for documentation to verify its formation and existence as a legal entity.

Section 13.10 Jurisdiction and Process; Waiver of Jury Trial. (a) The Borrower hereby irrevocably and unconditionally submits, for itself and its property, to the exclusive jurisdiction of any New York State court or Federal court of the United States of America sitting in the Borough of Manhattan in New York City, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement, or for recognition or enforcement of any judgment, and each of the parties hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such New York State or, to the extent permitted by law, in such Federal court. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement shall affect any right that the Collateral Agent or any other Secured

Party may otherwise have to bring any action or proceeding relating to this Agreement against the Borrower or its properties in the courts of any jurisdiction.

(b) The Borrower consents to process being served by or on behalf of Collateral Agent or any Secured Party in any suit, action or proceeding of the nature referred to in Section 13.10(a) by mailing a copy thereof by registered, priority, express or certified mail (or any substantially similar form of mail), postage prepaid, return receipt requested, in accordance with Section 13.1. The Borrower agrees that such service upon receipt (i) shall be deemed in every respect effective service of process upon it in any such suit, action or proceeding and (ii) shall, to the fullest extent permitted by applicable Law, be taken and held to be valid personal service upon and personal delivery to it. Notices hereunder shall be conclusively presumed received as evidenced by a delivery receipt furnished by the United States Postal Service or any reputable commercial delivery service.

(c) Nothing in this Section 13.10 shall affect the right of any Secured Party to serve process in any manner permitted by law.

(d) EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT OR ANY FINANCING DOCUMENT. EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE FINANCING DOCUMENTS, AS APPLICABLE, BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

Section 13.11 The Trustee. The Trustee is executing this Agreement solely in its capacity as Trustee under the Indenture. In entering into this Agreement, and in taking (or refraining from) any actions under or pursuant to this Agreement, the Trustee shall be protected by and shall enjoy all of the rights, privileges, immunities, protections and indemnities granted to it under the Indenture and the Loan Agreement and the other Financing Documents. In connection with exercising any right or discretionary duty hereunder (including, without limitation, the exercise of any rights following the occurrence of an Event of Default), the Trustee shall be entitled to request and rely upon the direction of those Bondholders as provided in the Indenture. The Trustee shall not have any liability for taking any action at such direction or for any failure of the Bondholders to provide any such direction. The Trustee shall not be responsible for and makes no representation as to the validity or adequacy of this Agreement, and it shall not be responsible for any statement or recital in this Agreement. Neither the Trustee nor any of its affiliates, directors, officers, agents or employees shall be responsible for or have any duty to ascertain, inquire into or verify (i) any statement, warranty or representation made in connection with this Agreement; (ii) the performance or observance of any of the covenants or agreements of the Borrower herein; or (iii) the receipt of items required to be delivered to the Trustee. The Trustee shall have no liability

relating to any action or inaction of the Borrower, the Collateral Agent, the Securities Intermediary, any Secured Creditor or any other Person pursuant to this Agreement.

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IN WITNESS WHEREOF, the parties hereto have caused the execution of this Agreement by duly authorized officers of each as of the date hereof.

MADRONE – SOUTH COUNTY HOSPITAL EAAS I, LLC, a Rhode Island limited liability company

By: MADRONE HEALTH FOUNDATION, a California nonprofit public benefit corporation, its Sole Member

By: ________________________________
Name: Richard Nicholas Waugh
Title: President

[Signature Page to Collateral Security Agreement]

ARGENT TRUST COMPANY, as Collateral Agent

By:___________________________________

Name: JOHN C. SHIRODA

Title: DIRECTOR

ARGENT TRUST COMPANY, as Securities Intermediary

By:___________________________________

Name: JOHN C. SHIRODA

Title: DIRECTOR

ARGENT TRUST COMPANY, as Trustee

By:___________________________________

Name: JOHN C. SHIRODA

Title: DIRECTOR

[Signature Page to Collateral Security Agreement]

Schedule I

Monthly Services Charge Schedule

Installments of the Monthly Services Charges are due no later than the first of each month starting with the month of [____], 2026 through _______, 20__, pursuant to the terms of the Energy Resilience & Performance Agreement and as calculated pursuant to the Schedule 6.1, Schedule 6.2 and Schedule 6.3 attached as Exhibit 6 of the Energy Resilience & Performance Agreement.

Schedule II

Monthly Refinancing Payment Schedule

Installments of the Monthly Refinancing Payments are due no later than the first of each month starting with the month of [____], 2026 through _______, 20__, pursuant to the terms of the Energy Resilience & Performance Agreement and as calculated pursuant to the Schedule 6.4 attached as Exhibit 6 of the Energy Resilience & Performance Agreement.

SCHEDULE III

MAINTENANCE RESERVE ACCOUNT PAYMENT SCHEDULE

Maintenance Reserve Account Payments are due no later than the first of each month starting with the month of [____], 20__ through _______, 20__, pursuant to the terms of the Energy Resilience & Performance Agreement as set forth in Schedule 6.1 to the Energy Resilience & Performance Agreement.

[Insert Schedule]

Schedule III

SCHEDULE IV

DESCRIPTION OF ACCOUNTS

ACCOUNT NAME	ACCOUNT NUMBER

Schedule IV

EXHIBIT A

DEFINED TERMS

For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires:

(a) the terms used herein that are defined in this Article have the meanings assigned to them in this Article, and include the plural as well as the singular;

(b) all references in this Agreement to designated "Articles," "Sections" and other subdivisions are to the designated Articles, Sections and other subdivisions of this Agreement;

(c) the words "herein," "hereof" and "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular Article, Section or other subdivision;

(d) the term "*actual knowledge*" means, with respect to the Borrower, the current conscious awareness of any officer, member, partner, trustee or beneficial holder of an equity interest in the Borrower, excluding any imputed or constructive knowledge, and variants of such term (such as "actually known") have correlative meanings;

(e) terms used herein that are defined in the New York UCC and not otherwise defined herein shall have the meanings set forth in the New York UCC, unless the context requires otherwise; and

(f) any reference herein to a "beneficial interest" in a security also shall mean, unless the context requires otherwise, a security entitlement with respect to such security, and any reference herein to a "beneficial owner" or "beneficial holder" of a security also shall mean, unless the context requires otherwise, the holder of a security entitlement with respect to such security; any reference herein to money or other property that is to be deposited in or is on deposit in a securities account shall also mean that such money or other property is to be credited to, or is credited to, such securities account.

"*501(c)(3) Entity*" has the meaning given such term in the Indenture.

"*Account*" has the meaning set forth in Section 4.1 of this Agreement.

"*Additional Bonds*" shall have the meaning given to the term "Additional Parity Bonds" under the Indenture.

"*Additional Payments*" means the payments made by the Borrower (a) to the Issuer and the Trustee in accordance with Section 4.01(b) of the Loan Agreement and (b) to the 501(c)(3) Entity with respect to the Madrone Administrative Expenses.

"*Additional Senior Secured Indebtedness*" means any Indebtedness incurred pursuant to Section 6.6(e)(iii) of this Agreement, including, but not limited to Additional Bonds issued under the Indenture, which Indebtedness is secured on a parity with the Bonds.

"*Additional Senior Secured Party*" means a Secured Creditor to any Additional Senior Secured Indebtedness.

"*Administrative Services Agreement*" means the Administrative Services Agreement of even date herewith between the Borrower and the 501(c)(3) Entity, as the same may be amended and/or supplemented from time to time in accordance with the provisions thereof and hereof.

"*Administrative Services Fee*" shall have the meaning ascribed to such term in the Administrative Services Agreement.

"*Affiliate*" of any specified Person, shall mean any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person, and any immediate family member of such specified Person and their Affiliates. For the purposes of this definition, "*control*" when used with respect to any specified Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms "*controlling*" and "*controlled*" have meanings correlative to the foregoing.

"*Agreement*" means this Collateral Security Agreement, as it may be amended, restated, supplemented or otherwise modified from time to time.

"*Bankruptcy*" means, with respect to a Person: (i) the commencement against such Person of proceedings for any relief under any bankruptcy or insolvency Law, or any Law relating to the relief of debtors, readjustment of indebtedness, reorganization, arrangement, composition, or extension of debts, provided such proceeding shall not have been dismissed, nullified, stayed, or otherwise rendered ineffective (but only so long as such ineffectiveness shall continue in force) within 90 days after the commencement of such proceedings; (ii) the commencement by such Person of proceedings for any relief under any bankruptcy or insolvency Law, or any Law relating to the relief of debtors, readjustment of indebtedness, reorganization, arrangement, composition, or extension of debts; (iii) a decree or order of a court having jurisdiction in the premises for the appointment of a receiver, liquidator, or trustee or assignee in bankruptcy or insolvency of such Person or of a substantial part of such Person's property, or for the winding up or liquidation of its affairs, which decree or order remains in force undischarged and unstayed for a period of 90 days; or (iv) a general assignment by such Person for the benefit of creditors or the admission by such Person in writing of its inability to pay its debts generally as they become due.

"Base Capacity Charge" has the meaning given such term in the Energy Resilience & Performance Agreement.

"*Bondholder*" and "*Bondholders*" shall have the meaning given to the term "Owner" or "Owners" under the Indenture.

"*Bonds*" has the meaning given such term in the recitals.

"*Borrower*" means Madrone – South County Hospital EaaS I, LLC, a Rhode Island limited liability company, and its successors or assigns.

"*Business Day*" has the meaning set forth in the Indenture.

"*Calculation Date*" means each June 1 and December 1 of each year following the Closing Date, or if such day is not a Business Day, then the Business Day immediately following such day.

"*Calculation Period*" means each annual period beginning on the 1st day of the month after the Closing Date and ending twelve (12) months thereafter.

"*Capacity Charge*" means the "Capacity Charge" for each Service Year (as defined in the Energy Resilience & Performance Agreement) (or any month within such Service Year) as set out in Exhibit 6 to the Energy Resilience & Performance Agreement.

"*Capital Expenditures*" means all reasonably necessary capital expenditures for all or any part of the Plants required to comply with the Energy Resilience & Performance Agreement.

"*Closing Date*" has the meaning set forth in the Indenture.

"*Collateral*" has the meaning given such term in Section 2.1 of this Agreement.

"*Collateral Agent*" is defined in the introductory paragraph of this Agreement.

"*Collateral Security Agreement*" or "*this Agreement*" has the meaning set forth in the introductory paragraph of this Agreement.

"*Combined Exposure*" means, as of any date of calculation, the aggregate principal amount of outstanding Bonds and any Additional Senior Secured Indebtedness.

"*Concession Fee*" means the payment conveyed by Borrower to the Health System in the amount set out in Exhibit 2 to the Energy Resilience & Performance Agreement and required to be paid in accordance with Article 3 (*Transaction Overview*) of the Energy Resilience & Performance Agreement.

"*Counterparties*" means, with respect to any Material Contract, each party to such Material Contract other than the Borrower.

"*Default*" means any event which would constitute an Event of Default, if any requirement in connection therewith for the giving of notice, or the lapse of time, or the happening of any further condition, event or action had been satisfied.

"*Default Rate*" means that rate of interest per annum that is 2.00% over the rate of interest publicly announced by JPMorgan Chase Bank in New York, New York as its "base" or "prime" rate.

"*Direct Agreement*" means that certain Direct Agreement, dated September 1, 2026, among the Health System, the Borrower, Optimum Energy, LLC and Collateral Agent, as amended, supplemented or otherwise modified from time to time.

"*Effective Date*" means the commercial operations date and the date of Financial Close (as defined in the Energy Resilience & Performance Agreement), such date being [__], 2026.

"*Eligible Financial Institution*" means a trust company or bank organized under the laws of the United States of America or any state thereof that has a total capital stock and unimpaired surplus of not less than $100,000,000.

"*Energy Assets*" has the meaning given such term in Exhibit 1 of the Energy Resilience & Performance Agreement.

"*Energy Resilience & Performance Agreement*" or "*ERPA*" means that certain Energy Resilience & Performance Agreement, dated as of September 1, 2026, between the Borrower and the Health System, as amended, supplemented or otherwise modified from time to time.

"*Energy Services*" means Borrower's operation, maintenance and service obligations regarding the Energy Assets as set out in the Energy Resilience & Performance Agreement.

"*Environmental Legal Requirement*" means any applicable local, state or federal law, common law, statute, ordinance, rule, regulation or legally binding requirement relating to public health, safety or the environment, including, without limitation, relating to releases, discharges or emissions to air, water, land or groundwater, to the withdrawal or use of groundwater, to the use and handling of polychlorinated biphenyls or asbestos, to the disposal, transportation, treatment, storage or management of solid or hazardous wastes or to exposure to toxic or hazardous materials, to the handling, transportation, discharge or release of gaseous or liquid substances and any regulation, order, notice or demand issued pursuant to such law, statute, ordinance, rule or regulation, in each case applicable to the property of the Borrower or the operation, construction or modification of any thereof, including without limitation the following: the Clean Air Act, the Federal Water Pollution Control Act, the Safe Drinking Water Act, the Toxic Substances Control Act, the Comprehensive Environmental Response Compensation and Liability Act as amended by the Superfund Amendments and Reauthorization Act of 1986, the Resource Conservation and Recovery Act as amended by the Solid and Hazardous Waste amendments of 1984, the Occupational Safety and Health Act, the Emergency Planning and Community Right-to-Know Act of 1986, the Hazardous Materials Transportation Act, the Solid Waste Disposal Act, all as amended, and any local, state or federal laws, statutes, ordinances, rules or regulations addressing similar matters, and any local, state or federal law, statute, ordinance, rule or regulation providing for financial responsibility for cleanup or other actions with respect to the release or threatened release of hazardous substances and any local, state or federal nuisance law, statute, ordinance, rule or regulation.

"*Event of Default*" means (a) any failure by the Borrower to make any payment required under this Agreement or any Financing Document within five (5) Business Days after the date when due, (b) any breach of any other provision under this Agreement (other than a payment default described in clause (a)) that is not cured within 30 days after receipt of proper notice, or

(c) any "Event of Default" as defined under the Loan Agreement or the Indenture or any similar definition in another Secured Obligation Document or related Financing Document.

"*Financing Documents*" means the Indenture, the Loan Agreement, the Security Documents, any Secured Obligation Document pursuant to which Additional Senior Secured Indebtedness is issued and all other documents evidencing or securing the Secured Obligations and all documents, instruments and agreements executed from time to time in connection therewith.

"*Fitch*" means Fitch Ratings, Inc. and any successor to its rating agency business.

"*Funds Flow Memorandum*" means that certain funds flow memorandum or settlement statement dated the Closing Date.

"*GAAP*" has the meaning given such term in the Indenture.

"*Governmental Approval*" has the meaning given such term in the Indenture.

"*Governmental Authority*" has the meaning given such term in the Indenture.

"*Hazardous Material*" means any hazardous, toxic or harmful chemical, substance, waste, material, byproduct, pollutant, contaminant, compound or product, including without limitation, asbestos, polychlorinated biphenyls, petroleum products (including crude oil or any fraction thereof), flammable explosives, radioactive materials, mold, mildew, infectious substances or raw materials which include hazardous constituents and any other substance or material the exposure, use, disposal or handling of which is regulated by any Environmental Legal Requirement.

"*Health System*" has the meaning given such term in the Indenture.

"*Indebtedness*" means all obligations for borrowed money, including but not limited to: (i) any and all principal thereof, premium, if any, and interest thereon and all additional amounts and other sums at any time due and owing from, and required to be paid by the Borrower under the terms of the Loan Agreement, the Bonds, and the other Financing Documents, (ii) contingent obligations under or in respect of letters of credit, performance bonds, bid bonds, appeal bonds, surety bonds, financial assurances and completion guarantees, indemnification obligations, take or pay obligations and similar obligations and (iii) undisputed trade accounts payable.

"*Interest Payment Date*" means, beginning on March 1, 2027 and each March 1 and September 1 thereafter and for any Additional Senior Secured Indebtedness, means the dates indicated as Interest Payment Dates for such Indebtedness in the agreement governing such Indebtedness and as set forth in the related Joinder.

"*Issuer*" has the meaning set forth in the recitals to the Agreement.

"*Joinder*" has the meaning given such term in Section 13.9 of this Agreement.

"*Law*" means any applicable United States or foreign, federal, state, regional, or local statute, law, code, rule, treaty, convention, order, decree, injunction, directive, determination or

other requirement and, where applicable, any legally binding interpretation thereof by a Governmental Authority having jurisdiction with respect thereto or charged with the administration or interpretation thereof.

"*Lien*" means, with respect to any Person, any mortgage, lien, pledge, charge, security interest or other encumbrance, or any interest or title of any vendor, lessor, lender or other secured party to or of such Person under any conditional sale or other title retention agreement or capital lease, upon or with respect to any property or asset of such Person (including in the case of stock, stockholder agreements, voting trust agreements and all similar arrangements).

"*Madrone Administrative Expenses* " means (a) the reasonable fees and expenses of the Borrower, including, but not limited to, the Administrative Services Fee, and the reasonable fees and expenses of such consultants, attorneys, auditors and other experts as may be engaged by the Borrower or the 501(c)(3) Entity in connection with the performance of their respective duties, or pursuit of their respective rights, under the Financing Documents and the Material Contracts; and (b) all franchise taxes or other excise taxes charged or levied on the income of the Borrower under the Material Contracts.

"*Make-Whole Amount*" has the meaning given in *Exhibit 14* to the Energy Resilience & Performance Agreement.

"*Maintenance Reserve Account Payments*" means the Maintenance Reserve Account portion of the Capacity Charge payable by the Health System to the Borrower as set forth in Schedule 6.1 to the Energy Resilience & Performance Agreement.

"*Mandatory Sinking Fund Redemption Date*" means the dates any Bonds are subject to mandatory sinking fund redemption pursuant to the Indenture.

"*Material Contracts*" means, collectively, the Energy Resilience & Performance Agreement and the Project Implementation Agreement.

"*Maturity Date*" means the final principal payment date on any outstanding Bonds.

"*Minimum Maintenance Reserve Account Funding Level*" has the meaning given such term in Section 4.7(c) hereof.

"*Monthly Date*" means on or before the 15th day of each calendar month, beginning [__], 2026.

"*Monthly Refinancing Payments*" means the monthly payments payable by the Health System to the Borrower pursuant to the Energy Resilience & Performance Agreement payable as described on *Schedule II* hereto.

"*Monthly Services Charges*" means the monthly Services Charge payable by the Health System to the Borrower pursuant to the Energy Resilience & Performance Agreement payable as described on *Schedule I* hereto.

"*Moody's*" means Moody's Investor Services and any successor to its rating agency business.

"*Nationally Recognized Rating Agency*" means S&P, Moody's or Fitch, or any other nationally recognized securities rating agency that is then providing a rating on any of the Bonds at the request of the Borrower.

"*Operating Costs*" means, for any period, the sum, computed without duplication among any of the following categories or from period to period, of the following: (a) cash operation, maintenance, repair and administrative costs relating to the Plants or any portion thereof and ordinary course fees, royalties and costs, including those paid or payable pursuant to certain contracts in existence on the Closing Date among the Borrower and its Affiliates, plus (b) expenses of repairing the Plants and maintaining the Plants in good repair and operating condition in accordance with applicable standards paid or payable during such period, including to the counterparties to the Material Contracts as required pursuant to the Material Contracts (excluding, however, Capital Expenditures), plus (c) insurance costs paid or payable in respect of insurance maintained or required to be maintained in respect of the Plants during such period, plus (d) applicable sales and excise taxes (if any) paid or payable or reimbursable by the Borrower during such period, plus (e) franchise taxes or taxes on adjusted gross income (if any) paid or payable by the Borrower during such period, plus (f) property taxes (if any) paid or payable by the Borrower during such period, plus (g) any other direct taxes (if any) paid or payable by the Borrower during such period, plus (h) costs and fees attendant to the obtaining and maintaining in effect any permits paid or payable during such period, plus (i) legal, accounting and other professional fees attendant to any of the foregoing items paid or payable during such period, plus (j) any fees, expenses and indemnification payments paid or incurred by the Secured Parties during such period which are not payments of principal or interest, plus (k) all other cash expenses paid or payable by the Borrower in the ordinary course of business in connection with the operation of the Plants. To avoid duplication, Operating Costs shall exclude, to the extent already included in the definition of Operating Costs above, payments into the Revenue Account during such period. To avoid confusion, depreciation, amortization and other non-cash expenses are not included in the definition of Operating Costs.

"*Permitted Indebtedness*" has the meaning given such term in Section 6.6(e) of this Agreement.

"*Permitted Investments*" means subject to the Tax Agreement (as defined under the Indenture), investments in any of the following:

(a) United States Government Obligations;

(b) Bonds or securities issued or guaranteed as to principal and interest by a commission, board or other instrumentality of the federal government including securities issued by Federal National Mortgage Association (FNMA), Federal Home Loan Mortgage Corporation (FHLMC), Federal Farm Credit Bank (FFCB), Federal Home Loan Bank (FHLB) and Tennessee Valley Authority (TVA);

(c) certificates of deposit (including those placed by a third party pursuant to an agreement between the Borrower and the Trustee), demand deposits, interest bearing money market accounts, trust funds, trust accounts, overnight bank deposits, interest bearing deposits, other bank deposit products, bankers acceptances or time deposits constituting direct obligations of any bank, including the Trustee or any of its affiliates, the full amount of which is insured by the Federal Deposit Insurance Corporation;

(d) time deposits in any credit union, bank, savings bank, trust company or savings and loan association that is authorized to transact business in the State if the time deposits mature in not more than three years;

(e) unsecured certificates of deposit, time deposits, bank deposit products, and bankers' acceptances of any bank the short-term obligations of which are rated, at the time of purchase, A-1 or better from S&P or P-1 from Moody's (without regard to any credit enhancement);

(f) obligations of any state of the United States of America or any political subdivision of any state of the United States of America or any agency or instrumentality of any such state or political subdivision, which are rated, at the time of purchase, in one of the three highest Rating Categories assigned by a Nationally Recognized Rating Agency;

(g) any security that matures or that may be tendered for purchase at the option of the holder within not more than seven years of the date on which it is acquired, if that security has a rating that is the highest or second highest Rating Category assigned by a Nationally Recognized Rating Agency or if that security is senior to, or on a parity with, a security of the same issuer that has such a rating;

(h) securities of an open-end management investment company or investment trust (including those for which the Trustee or its affiliates receive and retain a fee for services provided to the fund, whether as a custodian, transfer agent or otherwise) if the investment company or investment trust does not charge a sales load, if the investment company or investment trust is registered under the Investment Company Act of 1940, 15 USC 80a-1 to 80a-64, and if the portfolio of the investment company or investment trust is limited to the following: (i) bonds and securities issued by the federal government or a commission, board or other instrumentality of the federal government, (ii) bonds that are guaranteed as to principal and interest by the federal government or a commission, board or other instrumentality of the federal government and (iii) repurchase agreements that are fully collateralized by bonds or securities described under (i) or (ii);

(i) commercial paper having, at the time of investment or contractual commitment to invest therein, a rating of A-1 or better from S&P or P-1 from Moody's;

(j) investment agreements with, or guaranteed by, a domestic or foreign bank, financial institution or other entity the long-term ratings of which are rated at the time of execution in one of the investment grade Rating Categories by at least two Nationally Recognized Rating Agencies;

(k) municipal obligations issued by any state or municipality with a rating by both Moody's and S&P in one of the two highest Rating Categories by such Nationally Recognized Rating Agencies;

(l) federal funds or bankers acceptances with a maximum term of one year of any bank which has an unsecured, uninsured and unguaranteed obligation rating of "P -1" or "A3" or better by Moody's and "A-1" or "A" or better by S&P;

(m) money market funds registered under the Investment Company Act of 1940, whose shares are registered under the Securities Act of 1933 and having a rating by S&P AAAm-G; AAA-m; or AA-m and if rated by Moody's Aaa; Aa1 or Aa2; and

(n) other forms of investments (including repurchase agreements) provided or guaranteed by a domestic or foreign bank, financial institution or other entity the long-term ratings of which are rated at the time of execution in one of the investment grade Rating Categories by at least two Nationally Recognized Rating Agencies. In the event such obligations are variable rate obligations, the interest rate on such obligations must be reset not less frequently than annually.

"*Permitted Liens*" means the following:

(i) the Lien of any of the Security Documents and any related financing statements filed with respect thereto; and

(ii) Liens for Taxes, assessments or governmental charges which are not yet delinquent, or which are being contested in good faith pursuant to appropriate proceedings.

"*Person*" has the meaning given such term in the Indenture.

"*Plants*" means the plants described on Exhibit B attached hereto and made a part hereof.

"*Principal Payment Date*" means each September 1, and for any Additional Senior Secured Indebtedness, means the dates indicated as Principal Payment Dates in the agreement governing such Indebtedness.

"*Project*" means "Project" as defined in the Indenture, and includes the Plants, the improvements implemented by the provision of the Energy Services under the Material Contracts.

"*Project Implementation Agreement*" means that certain management agreement dated September 1, 2026 between the Borrower and Optimum Energy, LLC, as amended, amended and restated, supplemented or otherwise modified from time to time.

"*Project Revenues*" means (without double counting) all proceeds received by the Borrower from the Health System as payment for the Energy Services pursuant to the terms of the Energy Resilience & Performance Agreement (including the Monthly Services Charge and the Replenishment Payments). For the avoidance of doubt, "Project Revenues" shall not include any proceeds received as a result of any Termination Fee or the Monthly Refinancing Payments.

"*Project Sites*" means each of those locations listed in *Exhibit 4* to the Energy Resilience & Performance Agreement.

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

"*Redemption Date*" means any date fixed for redemption of Bonds.

"*Replenishment Payments*" has the meaning given in *Section B.2.2.* of *Part B* of *Exhibit 6* to the Energy Resilience & Performance Agreement.

"*Required Secured Parties*" means Secured Creditors holding more than fifty percent (50%) of the Combined Exposure.

"*Responsible CA Officer*" means with respect to the Collateral Agent, any officer of the Collateral Agent, with responsibility for the administration of the relevant portion of the Financing Documents and any Material Contract, including the President and the Chief Operating Officer.

"*Responsible Officer*" means with respect to the Borrower, any officer of the Borrower or any designee of the Borrower, with responsibility for the administration of the relevant portion of the Financing Documents and any Material Contract.

"*Restricted Payment*" means a transfer of monies from the Distribution Account in accordance with Section 4.9.

"*Restricted Payment Conditions*" means the following condition certified to the Collateral Agent by a Responsible Officer of the Borrower: immediately after giving effect to the Restricted Payment, no Default or Event of Default exists or would exist.

"*Restricted Payment Date*" means, with respect to each Calculation Date, any date within thirty (30) days from such Calculation Date.

"*S&P*" means S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC, and any successor to its rating agency business.

"*Secured Creditors*" means, collectively, (i) the Trustee and (ii) any holder or creditor, or any trustee or agent of any holder or creditor, of any Additional Senior Secured Indebtedness that has become a party to this agreement.

"*Secured Obligation Documents*" means the Indenture and any other similar credit agreement pursuant to which Secured Obligations are issued and by which the respective Secured Creditors have become a party to this Agreement via a Joinder.

"*Secured Obligations*" means the Bonds and any Additional Senior Secured Indebtedness and any obligations owing to the Collateral Agent, the Trustee or any other Secured Creditor under the Financing Documents.

"*Secured Parties*" means, collectively, the Issuer, the Collateral Agent and the Secured Creditors.

"*Securities Intermediary*" has the meaning set forth in Section 5.2 of this Agreement.

"*Security Documents*" means this Agreement, the Direct Agreement, the financing statements and any other agreement or instrument that purports to grant any collateral to the Collateral Agent or any Secured Party, as security for the Secured Obligations.

"*Series*" or "*Series of Bonds*" means all of the Bonds designated as being of the same Series authenticated and delivered on the date of the original issuance thereof in a simultaneous transaction and any Bonds thereafter authenticated and delivered in lieu thereof or in substitution therefor pursuant to the Indenture; provided that, where the context requires with respect to any variable rate debt applicable to a Series of Bonds and related matters, a subseries may be designated or deemed designated pursuant to any supplemental indenture.

"*Series 2026A Tax-Exempt Bonds*" has the meaning set forth in the recitals to this Agreement.

"*Series 2026B Taxable Bonds*" has the meaning set forth in the recitals to this Agreement.

"*Taxes*" has the meaning set forth in Attachment B to the Energy Resilience & Performance Agreement.

"*Termination Fee*" means any termination fee payable under the Energy Resilience & Performance Agreement or any of the other Material Contracts.

"*Trustee*" is defined in the introductory paragraph of this Agreement.

"*Uniform Commercial Code*" or "*UCC*" means the Uniform Commercial Code as in effect from time to time in the applicable jurisdiction.

"*United States Government Obligations*" means obligations that are direct, full faith and credit obligations of the United States of America or are obligations with respect to which the United States of America has fully and unconditionally guaranteed the timely payment of all principal or interest or both, but only to the extent of the principal or interest so guaranteed.

EXHIBIT B

DESCRIPTION OF THE PLANTS

EXHIBIT C

FORM OF REVENUE ACCOUNT WITHDRAWAL CERTIFICATE

Date: ________

ARGENT TRUST COMPANY
4224 Bluebonnet Blvd, Suite A
Baton Rouge, LA 70809
Attn: John C. Shiroda

Reference is made to Section 4.3 of the Collateral Security Agreement dated as of September 1, 2026 (the "*Collateral Security Agreement*"), by and among MADRONE – SOUTH COUNTY HOSPITAL EAAS I, LLC, a Rhode Island limited liability company (the "*Borrower*") and ARGENT TRUST COMPANY, a trust company organized and existing under and by virtue of the laws of the State of Tennessee, as Collateral Agent, Securities Intermediary and Trustee. Capitalized terms used herein but not otherwise defined herein shall have the respective meanings set forth in the Collateral Security Agreement.

The Borrower hereby directs the Collateral Agent to withdraw and transfer, from the account entitled Revenue Account, No. [_______] (the "*Revenue Account*"), on _____, 20__ (the "*Revenue Account Withdrawal Date*"), the following amounts: [Note: each Revenue Account Withdrawal Certificate should only list the priorities that are relevant on such Revenue Account Withdrawal Date.]

(i) in accordance with priority *third* of Section 4.3(b) of the Collateral Security Agreement, [_____ Dollars ($____)] to the payment of all Additional Payments, fees, costs, indemnities, charges and expenses (including reasonable attorneys' fees) then due and payable to Secured Parties, 501(c)(3) Entity, Securities Intermediary and Borrower (such costs to be documented by the Collateral Agent, Trustee, 501(c)(3) Entity, Securities Intermediary, Borrower and Issuer and filed for payment with the Collateral Agent);

(ii) in accordance with priority *fourth* of Section 4.3(b) of the Collateral Security Agreement, [_____ Dollars ($____)]to sufficiently fund any federal tax rebate payments due and owed to be payable pursuant to the Indenture;

(iii) in accordance with priority *fifth* of Section 4.3(b) of the Collateral Security Agreement, [_____ Dollars ($____)] to the Operating Account; and

(iv) in accordance with priority *sixth* of Section 4.3(b) of the Collateral Security Agreement, [_____ Dollars ($____)] to Permitted Indebtedness (other than the Secured Obligations).

In support of such direction, the undersigned, on behalf of the Borrower, hereby represents and certifies, as of the date hereof and as of the Revenue Account Withdrawal Date, as follows:

(a) in the case of transfers pursuant to priority *third* of Section 4.3(b) of the Collateral Security Agreement, the amount of such transfer is the amount required to pay

all Additional Payments, fees, costs, indemnities, charges and expenses (including reasonable attorneys' fees) then due and payable to Secured Parties, 501(c)(3) Entity, Securities Intermediary and Borrower (such costs to be documented by the Collateral Agent, Trustee, 501(c)(3) Entity, Securities Intermediary, Borrower and Issuer and filed for payment with the Collateral Agent);

(b) in the case of transfers pursuant to priority *fourth* of Section 4.3(b) of the Collateral Security Agreement, the amount of such transfer is the amount required to pay any federal tax rebate payments due and owed to be payable pursuant to the Indenture;

(c) in the case of transfers pursuant to priority *fifth* of Section 4.3(b) of the Collateral Security Agreement, the amount of such transfer is the amount required to pay Operating Costs that are, or are reasonably expected to become, due and payable during the current or next succeeding calendar month;

(d) in the case of transfers pursuant to priority *sixth* of Section 4.3(b) of the Collateral Security Agreement, the amounts to be transferred are required to pay Permitted Indebtedness (other than the Secured Obligations), to the extent any of the payments are then due and payable;

(e) the undersigned is a Responsible Officer of the Borrower;

(f) this Revenue Account Withdrawal Certificate is being delivered to the Collateral Agent no later than 12:00 p.m. Rhode Island time one (1) Business Day prior to the Revenue Account Withdrawal Date, and the Revenue Account Withdrawal Date is a Monthly Date;

(g) all conditions set forth in the Collateral Security Agreement for the withdrawals requested hereby have been satisfied; and

(h) on the date hereof, no Default or Event of Default would occur after giving effect to any application of funds contemplated hereby.

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IN WITNESS WHEREOF, the undersigned has caused this Revenue Account Withdrawal Certificate to be executed and delivered as of the day and year first above written.

Madrone – South County Hospital EaaS I, LLC, a Rhode Island limited liability company

By: MADRONE HEALTH FOUNDATION, a California nonprofit public corporation, its Sole Member

By: _________________________________
Name:
Title:

[NAME OF DESIGNEE OF THE BORROWER

By: _________________________________
Authorized Representative]

EXHIBIT D

FORM OF WITHDRAWAL TRANSFER CERTIFICATE

Date: ________

ARGENT TRUST COMPANY
4224 Bluebonnet Blvd, Suite A
Baton Rouge, LA 70809
Attn: John C. Shiroda

Reference is made to the Collateral Security Agreement dated as of September 1, 2026 (the "*Collateral Security Agreement*"), by and among MADRONE – SOUTH COUNTY HOSPITAL EAAS I, LLC, A RHODE ISLAND LIMITED LIABILITY COMPANY (the "*Borrower*") and ARGENT TRUST COMPANY, a trust company organized and existing under and by virtue of the laws of the State of Tennessee, as Collateral Agent, Securities Intermediary and Trustee. Capitalized terms used herein but not otherwise defined herein shall have the respective meanings set forth in the Collateral Security Agreement.

The Borrower hereby directs the Collateral Agent to withdraw and transfer on _____, 20__ (the "*Transfer Date*") from the {Suspense/Distribution] Account (account number [____]), the amounts and to the payees, in each case as set forth on Schedule A attached hereto.

In support of such direction, the undersigned, on behalf of the Borrower, hereby represents and certifies, as of the date hereof and as of the Transfer Date, as follows:

(a) the undersigned is a Responsible Officer of the Borrower;

(b) this Withdrawal Certificate is being delivered to the Collateral Agent no later than 12:00 p.m. Rhode Island time three (3) Business Days prior to the Transfer Date;

(c) all conditions set forth in the Collateral Security Agreement for the withdrawals requested hereby have been satisfied; and

(d) No Default or Event of Default has occurred and is continuing, and no Default or Event of Default would occur after giving effect to the [withdrawal/transfer] requested hereby.

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IN WITNESS WHEREOF, the undersigned has caused this Withdrawal Transfer Certificate to be executed and delivered as of the day and year first above written.

Madrone – South County Hospital EaaS I, LLC, a Rhode Island limited liability company

By: MADRONE HEALTH FOUNDATION, a California nonprofit public benefit corporation, its Sole Member

By: ________________________________
Name: Richard Nicholas Waugh
Title: President

[NAME OF DESIGNEE OF THE BORROWER

By: ____________________________
Authorized Representative]

SCHEDULE A

PAYEE	AMOUNT	PAYMENT INSTRUCTIONS

EXHIBIT E

FORM OF TERMINATION FEE DISBURSEMENT CERTIFICATE

Date: ________

ARGENT TRUST COMPANY
4224 Bluebonnet Blvd, Suite A
Baton Rouge, LA 70809
Attn: John C. Shiroda

Reference is made to the Collateral Security and Account Agreement dated as of September 1, 2026 (the "*Collateral Security Agreement*"), by and among MADRONE – SOUTH COUNTY HOSPITAL EAAS I, LLC, a Rhode Island limited liability company (the "*Borrower*") and ARGENT TRUST COMPANY, a trust company organized and existing under and by virtue of the laws of the State of Tennessee, as Collateral Agent, Securities Intermediary and Trustee. Capitalized terms used herein but not otherwise defined herein shall have the respective meanings set forth in the Collateral Security Agreement.

The undersigned Borrower hereby directs the Collateral Agent to withdraw and transfer on _____, 20__ (the "*Transfer Date*") from the Termination Fee Account (account number [_________]), the amounts and pay to the undersigned payee, in each case as set forth on Schedule A attached hereto.

In support of such direction, the undersigned, on behalf of the Borrower, hereby represents and certifies, as of the date hereof, as follows:

(a) the undersigned is a Responsible Officer of the Borrower;

(b) this Certificate is being delivered to the Collateral Agent no later than 12:00 p.m. Rhode Island time three (3) Business Days prior to the Transfer Date;

(c) all conditions set forth in the Collateral Security Agreement for the disbursement requested hereby have been satisfied; and

(d) the amount set forth on Schedule A is due and owing to the party set forth in Schedule A.

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IN WITNESS WHEREOF, the undersigned has caused this Termination Fee Disbursement Certificate to be executed and delivered as of the day and year first above written.

Madrone – South County Hospital EaaS I, LLC, a Rhode Island limited liability company

By: MADRONE HEALTH FOUNDATION, a California nonprofit public benefit corporation, its Sole Member

By: ________________________________
Name: Richard Nicholas Waugh
Title: President

[NAME OF DESIGNEE OF THE BORROWER

By: ____________________________
Authorized Representative]

SCHEDULE A

PAYEE	AMOUNT	PAYMENT INSTRUCTIONS

EXHIBIT F

FORM OF REQUISITION FOR MONEY FROM THE MAINTENANCE RESERVE ACCOUNT

REQUISITION FOR MONEY FROM THE MAINTENANCE RESERVE ACCOUNT

To: ARGENT TRUST COMPANY
4224 Bluebonnet Blvd, Suite A
Baton Rouge, LA 70809
Attn: John C. Shiroda

Requisition No. __

The undersigned, on behalf of Madrone – South County Hospital EaaS I, LLC (the "Borrower"), hereby requests Argent Trust Company, as collateral agent (the "Collateral Agent") under that certain Collateral Security Agreement dated as of September 1, 2026 (the "*Collateral Security Agreement*"), by and among the Borrower and Argent Trust Company, as Collateral Agent, Securities Intermediary and Truste, to pay from the Maintenance Reserve Account held under the Collateral Security Agreement to the payee or payees named below, the total amount shown below to the order of the payee or payees named below, as payment or reimbursement for the Energy Assets, lifecycle work for Energy Assets or to be used to restore and replace such Energy Assets following casualty damages stemming from an uninsured casualty loss.. The payee(s), the purpose and the amount of the disbursement requested are as follows:

SEE SCHEDULE I ATTACHED HERETO

The undersigned is a Responsible Officer of the Borrower and hereby certifies that each item has been properly incurred by the Borrower, is presently due and payable, and is a proper charge against the Maintenance Reserve Account and is presently eligible for withdrawal therefrom. None of the items for which payment is requested has been reimbursed previously from the Maintenance Reserve Account. All conditions set forth in the Collateral Security Agreement for the withdrawals requested hereby have been satisfied. No Default or Event of Default has occurred and is continuing, and no Default or Event of Default would occur after giving effect to the disbursement requested hereby.

Capitalized terms used and not defined herein shall have the meanings set forth in the Indenture.

Dated: ____________

MADRONE – SOUTH COUNTY HOSPITAL EAAS I, LLC, a Rhode Island limited liability company

By: MADRONE HEALTH FOUNDATION, a California nonprofit public benefit corporation, its Sole Member

By: _________________________________
Name: Richard Nicholas Waugh
Title: President

[NAME OF DESIGNEE OF THE BORROWER

By: _________________________________
Authorized Representative]

Acknowledged and Agreed

SOUTH COUNTY HOSPITAL HEALTHCARE SYSTEM, a Rhode Island nonprofit corporation

By: _________________________________
Authorized Representative

SCHEDULE I

Payee	Amount	Purpose

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APPENDIX H

FORM OF DIRECT AGREEMENT

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Execution Version

DIRECT AGREEMENT

BY AND AMONG

SOUTH COUNTY HOSPITAL HEALTHCARE SYSTEM,

MADRONE – SOUTH COUNTY HOSPITAL EAAS, LLC,

OPTIMUM ENERGY CO, LLC,

and

ARGENT TRUST COMPANY

September [●], 2026

DIRECT AGREEMENT

This Direct Agreement (this "***Agreement***") is entered into effective as of September [●], 2026 (the "***Effective Date***") by and among South County Hospital Healthcare System, a Rhode Island non-profit corporation ("***Health System***"), Madrone - South County Hospital EAAS I, LLC, a Rhode Island limited liability company ("***Madrone***"), Optimum Energy Co, LLC, a Delaware limited liability company ("***Optimum***"), and Argent Trust Company, as collateral agent (in such capacity and together with any permitted assignee or successor thereto appointed pursuant to the hereinafter defined Madrone Financing Documents, the "***Collateral Agent***", and together with Health System, Madrone and Optimum, the "***Parties***").

RECITALS

1. Health System and Madrone have entered into that certain Energy Resilience and Performance Agreement, dated as of September 9, 2026 (as amended, restated, modified or supplemented from time to time, the "***ERPA***") to design, construct, finance, operate and maintain Energy Assets and Retained Assets (as such terms are defined in the ERPA);

2. Madrone and Optimum have entered into that certain Project Implementation Agreement, dated as of September 9, 2026 (as amended, restated, modified or supplemented from time to time, the "***Project Implementation Agreement***") where Optimum has agreed to perform certain of Madrone's rights and obligations under the ERPA ;

3. The Rhode Island Health and Educational Building Corporation (the "***Issuer***") has entered into that certain Indenture of Trust, dated as of the Effective Date (as amended, restated, modified or supplemented from time to time, the "***Indenture***"), with Argent Trust Company, as trustee (in such capacity and together with any permitted assignee or successor thereto appointed pursuant to the Indenture, the "***Trustee***"), pursuant to which the Issuer issued the Bonds (as defined in the Indenture), the proceeds of which have been loaned by the Issuer to Madrone under that certain Loan Agreement, dated as of the Effective Date (as amended, restated, modified or supplemented from time to time, the "***Loan Agreement***"), between the Issuer and Madrone;

4. A portion of the proceeds of the Bonds loaned to Madrone will be used by Madrone to fund the Concession Compensation to be paid to Health System pursuant to the ERPA;

5. Madrone has entered into that certain Collateral Security Agreement, dated as of the Effective Date (as amended, restated, modified or supplemented from time to time, the "***Collateral Security Agreement***"), with the Trustee, the Collateral Agent and the Securities Intermediary named therein, granting a security interest in the Collateral (as defined therein) to the Collateral Agent, on behalf of the Secured Parties (as defined therein); and

6. It is a condition precedent to the sale of the Bonds that the Health System, Madrone, Optimum and the Collateral Agent execute and deliver this Agreement.

AGREEMENT

Accordingly, Health System, Madrone, Optimum and the Collateral Agent agree that:

Section 1. Definitions.

(a) "*Agreement*" has the meaning set forth in the preamble hereto.

(b) "*Business Day*" has the meaning set forth in the Indenture.

(c) "*Collateral*" has the meaning set forth in the Collateral Security Agreement.

(d) "*Collateral Agent*" has the meaning set forth in the preamble hereto.

(e) "*Collateral Security Agreement*" has the meaning set forth in the recitals hereto.

(f) "*Contract Documents*" means each of and collectively, as the context may require, the ERPA and the Project Implementation Agreement.

(g) "*Default Period*" has the meaning set forth in Section 2(d) (*Consent and Acknowledgement*).

(h) "*Effective Date*" has the meaning set forth in the preamble hereto.

(i) "*ERPA*" has the meaning set forth in the recitals hereto.

(j) "*Enforcement Transfer*" means any transfer of Madrone's interest in any Madrone Rights pursuant to a Foreclosure Proceeding, by sale or assignment in an Insolvency Proceeding or by a Transfer in Lieu.

(k) "*Enforcement Transfer Date*" has the meaning set forth in Section 4 (*Assumption*).

(l) "*Foreclosure Proceeding*" means any action or proceeding to foreclose on or otherwise enforce the Collateral Security Agreement.

(m) "*Health System*" has the meaning set forth in the preamble hereto.

(n) "*Indenture*" has the meaning set forth in the recitals hereto.

(o) "*Insolvency Proceeding*" means any action or proceeding in connection with an Insolvency Event.

(p) "*Loan Agreement*" has the meaning set forth in the recitals hereto.

(q) "*Madrone*" has the meaning set forth in the preamble hereto.

(r) "*Madrone Default*" has the meaning set forth in Section 6(a) (*Health System's Right to Cure*).

(s) "*Madrone Default Notice*" has the meaning set forth in Section 6(a) (*Health System's Right to Cure*).

(t) "*Madrone Financing Documents*" means the Indenture, the Loan Agreement, the Collateral Security Agreement, the financing statements and any other agreement or instrument that purports to grant a security interest in any collateral to the Collateral Agent or any Secured Parties, as security for the Secured Obligations (as defined in the Collateral Security Agreement).

(u) "*Madrone Financing Obligations*" means all obligations of Madrone from time to time owed to any Secured Parties under any Madrone Financing Document, whether for principal, interest, fees, expenses or otherwise (other than, as of any date of determination, the obligations under the Madrone Financing Documents that survive termination of the Madrone Financing Documents, but as of such date of determination are not due and payable and for which no claims have been made).

(v) "*Madrone Rights*" means the rights of Madrone under the Contract Documents that constitute Collateral.

(w) "*Madrone Successor Party*" means (i) Collateral Agent; or (ii) any other Person who acquires the Madrone Rights by way of an Enforcement Transfer, and as a result thereof succeeds to the rights and obligations of Madrone under the Contract Documents.

(x) "*Optimum*" has the meaning set forth in the preamble hereto.

(y) "*Permitted Liens*" has the meaning set forth in the Collateral Security Agreement.

(z) "*Person*" has the meaning set forth in the Collateral Security Agreement.

(aa) "*Secured Parties*" has the meaning set forth in the Collateral Security Agreement.

(bb) "*Transfer in Lieu*" means any deed in lieu of foreclosure or any other sale, assignment or other transfer in satisfaction of the Collateral Security Agreement in connection with a Foreclosure Proceeding or Insolvency Proceeding.

Capitalized terms used in this Agreement but not otherwise defined herein have the meaning ascribed to them in Attachment B to the ERPA.

Section 2. Consent and Acknowledgement.

(a) Each of Health System and Optimum acknowledges, recognizes and consents to the collateral assignment, pledge and grant of a lien on and security interest in the Collateral to the Collateral Agent by Madrone. To the extent its consent is required under a Contract Document, neither Health System nor Optimum shall consent to an assignment by Madrone of, or a grant by Madrone of any lien, pledge or security interest encumbering, any of the Madrone Rights to any Person other than the Collateral Agent, other than Permitted Liens.

(b) Health System acknowledges and agrees that: (i) the Collateral Agent, in its capacity as collateral agent for the Secured Parties, constitutes Madrone's "Lender" as defined in the ERPA; and (ii) the Collateral Agent shall have the rights, privileges, benefits and protections granted to Madrone's Lender under the ERPA.

(c) Except as otherwise set forth in this Agreement: (A) the Collateral Agent shall have no liability or obligation under the ERPA or any other Contract Document as a result of the collateral assignment of the Madrone Rights; and (B) the Collateral Agent shall not be obligated to (1) perform any of Madrone's obligations under the ERPA or any other Contract Document; or (2) take any action to collect or enforce any claim for payment collaterally assigned under the Madrone Financing Documents, except to the extent the Collateral Agent exercises its rights under this Agreement to remedy or cure any default or breach of Madrone under the Contract Documents.

(d) Health System and Optimum further acknowledge the right of the Collateral Agent, subject to the terms of this Agreement, (i) to exercise certain rights and remedies under the Madrone Financing Documents while a Madrone Default has occurred and is continuing beyond the applicable cure period (a "***Default Period***"); including, the Collateral Agent or any Health System-approved Madrone Successor Party will have thirty (30) days to remedy any payment default under the Contract Documents and sixty (60) days to remedy any performance default; and (ii) to make all demands, give all notices, take all actions and exercise all rights of Madrone under the Contract Documents during a Default Period.

(e) From and after notice from the Collateral Agent to Health System that a Madrone Default has occurred and is continuing and that the Collateral Agent has elected to take any actions described in Section 2(d) (*Consent and Acknowledgement*), each of Health System and Optimum will accept performance by the Collateral Agent of the obligations of Madrone under the Contract Documents during the applicable Default Period. Madrone consents to the foregoing and directs Health System and Optimum to accept such performance by Collateral Agent.

(f) Except as otherwise expressly provided herein, each of Health System and Optimum further agrees that during a Default Period, from and after notice from the Collateral Agent of a Madrone Default that has occurred and is continuing, so long as Collateral Agent has cured the applicable Madrone Default, to render to Collateral Agent all performance due to Madrone under the Contract Documents during such Default Period; <u>provided</u>, that nothing in this Section 2(f) (*Consent and Acknowledgement*) limits or defers Health System's rights under the ERPA, and the exercise of those rights during a Default Period shall not constitute a default hereunder or under any Contract Document. Neither Health System nor Optimum shall:

(i) suspend its performance under the ERPA or any other Contract Document;

(ii) commence or support any Insolvency Proceeding in relation to Madrone or any part of the Madrone Rights; or

(ii) terminate the ERPA or any other Contract Document.

(g) Each of Health System and Optimum acknowledges and agrees that the Collateral Agent exercising its rights under this Agreement shall not constitute a default under the ERPA or Project Implementation Agreement.

Section 3. Madrone Successor Party. (a) Each of Health System and Optimum agrees and recognizes that, if Collateral Agent exercises any of its rights under the Madrone Financing Documents or with respect to the Collateral and, as a result, a Madrone Successor Party acquires the Madrone Rights: (i) the Contract Documents and Madrone Rights shall not terminate as a result and the rights of the Madrone Successor Party thereunder shall continue in full force and effect, subject to the terms and conditions of the Contract Documents; and (ii) the Madrone Successor Party shall continue to enjoy the rights and benefits of the Madrone Rights, subject to the terms and conditions of the Contract Documents.

Section 4. Assumption. If a Madrone Successor Party acquires Madrone's interest in the Madrone Rights as a result of Collateral Agent's exercise of its rights and remedies under any Madrone Financing Document or with respect to the Collateral, each of Health System and Optimum will be bound to such Madrone Successor Party, and such Madrone Successor Party will be bound to each of Health System and Optimum, in each case subject to the terms and conditions of the applicable Contract Documents and for the balance of the term thereof. Upon an Enforcement Transfer, the Madrone Successor Party shall assume all of Madrone's obligations under the Contract Documents from and after the date of such Enforcement Transfer (the "***Enforcement Transfer Date***"), and the Contract Documents shall remain in full force and effect.

Section 5. Protection of Madrone Successor. Notwithstanding anything to the contrary in the Contract Documents, neither the Collateral Agent nor the Madrone Successor Party shall be liable for or bound by any act, omission, default, misrepresentation, or breach of warranty of Madrone or its successors and assigns or obligations accruing prior to the Enforcement Transfer Date, except for any act, omission, default, misrepresentation or breach of warranty of Madrone or its successors and assigns for which Health System has provided written notice to the Collateral Agent prior to the date of an Enforcement Transfer to a Madrone Successor Party.

Section 6. Health System's Right to Cure.

(a) The Collateral Agent shall give Health System written notice (each such notice being referred to herein as a "***Madrone Default Notice***") upon actual knowledge of the Collateral Agent of the occurrence of any uncured default by Madrone under the Madrone Financing Documents (an "***Madrone Default***").

(b) The Collateral Agent will forbear from exercising any enforcement or termination rights it holds under this Agreement and the Madrone Financing Documents and will afford the Health System with an opportunity to exercise the following remedial rights ("***Health System Remedial Rights***"), which if exercised in a manner that cures the Madrone Default will eliminate any enforcement or termination right the Collateral Agent otherwise had prior to such cure by either or both of the following:

(i) one hundred eighty (180) days to cure the Madrone Default continuing to pay the Capacity Charge under the ERPA to the Collateral Agent; or

(ii) assuming Madrone's financial obligations under the Madrone Financing Documents.

(c) The Parties acknowledge that Health System is not obligated to remedy or cure any Madrone Default and Madrone shall remain solely liable to perform Madrone's obligations under the Madrone Financing Documents until such time as the Health System elects to assume Madrone's financial obligations pursuant to this Section.

Section 7. Replacement Contract Documents; Amendment or Termination of Contract Documents.

If during a Default Period, the Collateral Agent shall have exercised remedies under any Madrone Financing Document and any Madrone Successor Party shall have succeeded to Madrone's interest under any Contract Document (whether by Enforcement Transfer or otherwise) or any Contract Document shall have been rejected or terminated due to Insolvency Proceedings, each of Health System and Optimum will, at the request of the Madrone Successor Party, enter into a new agreement with the Madrone Successor Party on identical terms as such Contract Document (subject to conforming changes necessitated by the substitution of the parties and other changes as the parties may mutually agree), *provided* that the term under such new agreement shall not exceed the remaining balance of the term of the applicable Contract Document, and *provided* the request is made by the Madrone Successor Party or the Collateral Agent within thirty (30) days of the event described in clause (i) or (ii) above. References in this Agreement to any such Contract Document shall be deemed also to refer to such new agreement.

Section 8. Amendments and Binding Effect. This Agreement may be modified only by an agreement in writing signed by all of the following: Health System, Madrone, Optimum and the Collateral Agent. This Agreement will inure to the benefit of and will be binding upon Health System, Madrone, Optimum and the Collateral Agent, together with their respective successors and assigns (including any Madrone Successor Parties). The parties hereto shall give notice of this Agreement to their successors and assigns and cause them to be bound hereby.

Section 9. Counterparts. This Agreement may be executed in counterparts, and, when executed by Health System, Madrone, Optimum and the Collateral Agent, will constitute one agreement, binding upon them, even though they are not signatories to the original or the same counterpart. Delivery of an executed counterpart of a signature page to this Agreement by electronic transmission (i.e., a "pdf" or "tif"), including email, shall be effective as delivery of a manually executed counterpart of this Agreement.

Section 10. Notices. All notices, demands, requests, consents or other communications required or permitted to be given or made under this Agreement will be in writing and addressed to the following:

To Health System:	South County Hospital Healthcare System 100 Kenyon Avenue Wakefield, RI 02879 Attention: President and CEO Email: arobinson@southcountyhealth.org
With a copy to:	South County Hospital Healthcare System 100 Kenyon Avenue Wakefield, RI 02879 Attention: General Counsel Email: aprescott@southcountyhealth.org
To Madrone:	Madrone - South County Hospital EaaS I, LLC c/o Madrone Health Foundation 2081 Center Street Berkeley, CA 94704 Attention: Richard Nicholas Waugh Email: notice@madrone.org
With a copy to:	Hawkins Delafield & Wood LLP 388 Market Street, Suite 900 San Francisco, CA 94111 Attention: Michael Charlebois Email: mcharlebois@hawkins.com
To Optimum:	Optimum Energy Co, LLC 411 1st Ave. South, Suite 520, Seattle, WA 98104 Attn: Contracts Email: contracts@optimumenergyco.com
With a copy to:	8591 United Plaza Blvd., Ste. 110, Baton Rouge, LA 70809 Attn: Judson Sanders, VP of Legal Email: judson.sanders@optimumenergyco.com
To Collateral Agent:	Argent Trust Company 4224 Bluebonnet Blvd., Suite A Baton Rouge, LA 70809 Attention: John C. Shiroda Email: jshiroda@argentfinancial.com

Notices hereunder will be deemed properly served if sent by electronic mail to the same Persons at the email addresses shown above.

Section 11. Irrevocability of Consent; Amendment of Security Documents. The Collateral Agent and Madrone agree that they will not consent to or enter into any modification to the Madrone Financing Documents adverse to Health System unless Health System gives its written approval to such adverse amendment or modification prior to any such amendment or modification, such approval not to be unreasonably withheld, conditioned or delayed.

Section 12. Representations. The Collateral Agent hereby represents and agrees as of the Effective Date that:

(a) all Madrone Financing Documents are executed, valid and binding on the Collateral Agent to the extent the Collateral Agent is a party;

(b) the address of the Collateral Agent is its address specified in Section 10 (*Notices*) above (or any subsequent change of address given to the other parties hereto by such Collateral Agent pursuant to Section 10 (*Notices*)); and

Section 13. Miscellaneous.

(a) If any term or provision of this Agreement is held invalid or unenforceable, the remaining terms and provisions shall not be affected, and each term and provision shall be valid and enforceable to the fullest extent permitted by law.

(b) Except as expressly provided herein, the provisions of this Agreement shall be self-operative and effective without the execution of any further instruments on the part of either party hereto.

(c) This Agreement shall inure to the benefit of, and be binding upon, the parties hereto and their respective successors and assigns; *provided*, that (x) the Collateral Agent may assign or transfer its rights and obligations under this Agreement to a successor Collateral Agent in accordance with the terms of the Collateral Security Agreement so long as the Collateral Agent delivers to Health System not less than ten (10) Business Days prior to such assignment a notice setting out such contact information regarding the assignee as Health System may reasonably require; (y) Health System shall assign or transfer its rights and obligations under this Agreement to any Permitted Health System Transferee or other permitted assignee of its interest in the ERPA concurrently with the assignment of the ERPA to such assignee, and the Collateral Agent shall cooperate with Health System in completing the formalities of any transfer or assignment including by executing any additional documents as may be reasonably required by Health System; and (z) no party to this Agreement may assign or transfer all or any part of its rights or obligations under this Agreement except as provided in clauses (x) and (y) above.

(d) All remedies which any party to this Agreement may have against any other party to this Agreement, if any, are cumulative and shall be in addition to any and all other rights and remedies provided by law and by other agreements between the parties. If any party consists of multiple individuals or entities, each of same shall be jointly and severally liable for the obligations of such party hereunder.

(e) If there is any conflict or inconsistency between the provisions of this Agreement and the ERPA, as between the Collateral Agent and Health System, the provisions of this Agreement will prevail. If there is any conflict or inconsistency between the provisions of this Agreement and the ERPA, as between the Collateral Agent, Madrone or Optimum, the provisions of the ERPA will prevail.

Section 14. Headings. All headings in this Agreement are for convenience only and shall not affect the interpretation of this Agreement.

Section 15. Governing Law. This Agreement will be governed in accordance with the laws of the State of New York.

Section 16. Confidentiality. The Collateral Agent shall be bound to comply with the confidentiality obligations on the part of Madrone contained in the ERPA in relation to all information matters obtained from any other party under or in connection with the Project; provided, that notwithstanding anything in this Agreement to the contrary, Confidential Information may be described in the offering prospectus for the Developer Bonds to the extent reasonably required in accordance with Industry Practice.

Section 17. Rights of Health System and Optimum Not Prejudiced. The parties hereto acknowledge and agree that nothing in the Madrone Financing Documents, this Agreement or any other agreement among any of them (including any giving by the Collateral Agent of a notice hereunder) shall, except as between the Collateral Agent, on the one hand, and Health System and Optimum, on the other hand, as expressly set forth in this Agreement, affect the rights of Health System, Madrone or Optimum under the Contract Documents.

[Signature Page Follows]

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the Effective Date.

SOUTH COUNTY HOSPITAL HEALTHCARE SYSTEM

By:________________________________
Name: Aaron Robinson
Title: President and CEO

MADRONE - SOUTH COUNTY HOSPITAL EAAS I, LLC

By: MADRONE HEALTH FOUNDATION, a California nonprofit public benefit corporation, its sole member

By:________________________________
Name: Richard N. Waugh
Title: President

OPTIMUM ENERGY CO, LLC

By:________________________________
Name: Lisa Simpson
Title: President and CEO

ARGENT TRUST COMPANY, as Collateral Agent

By:________________________________
Name:
Title:

[Signature Page to Direct Agreement]

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APPENDIX I-1

FORM OF BORROWER CONTINUING DISCLOSURE AGREEMENT

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BORROWER CONTINUING DISCLOSURE AGREEMENT

THIS CONTINUING DISCLOSURE AGREEMENT, dated as of September 1, 2026 (this "Disclosure Agreement"), is executed and delivered by Madrone – South County Hospital EaaS I, LLC, a Rhode Island limited liability company (the "Borrower"), in connection with the issuance of $_____ Rhode Island Health and Educational Building Corporation Revenue Bonds (Madrone – South County Hospital EaaS I), Series 2026A and $_____ Rhode Island Health and Educational Building Corporation Revenue Bonds (Madrone – South County Hospital EaaS I), Taxable Series 2026B (collectively, the "Bonds"). The Bonds are being issued pursuant to an Indenture of Trust, dated as of September 1, 2026 (the "Indenture"), between the Rhode Island Health and Educational Building Corporation (the "Issuer") and Argent Trust Company, as trustee (the "Trustee"). The proceeds of the Bonds are being loaned by the Issuer to the Borrower, pursuant to a Loan Agreement, dated as of September 1, 2026 (the "Loan Agreement"), between the Issuer and the Borrower.

Section 1. Purpose of this Continuing Disclosure Agreement. This Disclosure Agreement is being signed and delivered by the Borrower for the benefit of the Holders and Beneficial Owners of the Bonds and in order to assist the Participating Underwriter in complying with the Rule. The Borrower acknowledges that the Issuer has undertaken no responsibility with respect to any Annual Filings, reports, notices or disclosures provided or required under this Disclosure Agreement, and has no liability to any person, including any Holder or Beneficial Owner of the Bonds, with respect to the Rule.

Section 2. Definitions and Interpretation. In addition to the words and terms defined elsewhere in this Disclosure Agreement or in the Bond Indenture, the following capitalized terms shall have the following meanings unless the context or use clearly indicates otherwise.

"*Annual Filing*" means any annual information provided by the Borrower pursuant to, and as described in, Sections 3(a) and 4.

"*Audited Financial Statements*" means the audited financial statements of the Borrower, prepared in conformity with generally accepted accounting principles applicable to institutions such as the Borrower.

"*Beneficial Owner*" means any person that has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any of the Bonds (including persons holding Bonds through nominees, depositories or other intermediaries).

"*Collateral Security Agreement*" means the Collateral Security Agreement, dated as of the date of issuance of the Bonds, by and among the Borrower, and Argent Trust Company, as Collateral Agent and Securities Intermediary (as defined therein).

"*Dissemination Agent*" means Digital Assurance Certification, L.L.C., as the initial Dissemination Agent hereunder, and any successor Dissemination Agent designated by the Borrower.

"*EMMA*" means the Electronic Municipal Market Access system of the MSRB or any successor nationally-recognized municipal securities repository recognized by the Securities and Exchange Commission for the purposes referred to in the Rule; information regarding submissions to EMMA is available at http://emma.msrb.org.

"*Filing Date*" means the date that is no later than November 27 of each year (or the next succeeding Business Day if that day is not a Business Day), commencing with November 27, 2027; provided that if the end of the Borrower's Fiscal Year is no longer June 30, the Filing Date shall be no later than 150 days following the end of each of the Borrower's Fiscal Years (or the next succeeding Business Day if that day is not a Business Day).

"*Financial Obligation*" means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term "financial obligation" shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

"*Fiscal Year*" means the fiscal year of the Borrower, presently a 12-month period ending June 30, which may be changed by the Borrower from time to time.

"*Holder*" means, with respect to the Bonds, the person in whose name a Bond is registered in accordance with the Bond Indenture.

"*MSRB*" means the Municipal Securities Rulemaking Board.

"*Notice Address*" means, for the Bond Trustee and the Borrower, the address as to which notice is to be given under Section 9.02 of the Loan Agreement, or a different address as to which notice is given pursuant to the Bond Indenture or the Loan Agreement.

"*Obligated Person*" means, any person, including the Borrower, who is generally or through an enterprise, fund or account of such person committed by contract or other arrangement to support payment of all or part of the obligations on the municipal securities being sold in an offering document (such as the Official Statement).

"*Official Statement*" means the Official Statement for the Bonds dated September __, 2026.

"*Participating Underwriter*" means the original underwriter of the Bonds required to comply with the Rule in connection with the offering of the Bonds.

"*Rule*" means Rule 15c2-12 prescribed by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended.

"*Specified Events*" means any of the events with respect to the Bonds as set forth in Section 6.

"*State*" means the State of Rhode Island.

The captions and headings in this Disclosure Agreement are solely for convenience of reference and in no way define, limit or describe the scope or intent of any Sections, subsections, paragraphs, subparagraphs or clauses hereof. Reference to a Section means a section of this Disclosure Agreement and to an Exhibit means an exhibit to this Disclosure Agreement, unless otherwise indicated.

Section 3. Provision of Quarterly and Annual Information; Audited Financial Statements.

(a) The Borrower shall provide, or cause the Dissemination Agent to provide, not later than the Filing Date, to the MSRB and to the Bond Trustee an Annual Filing that is consistent with the requirements of Section 4. The Annual Filing shall be submitted in an electronic format and contain such identifying information as is prescribed by the MSRB, and may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4(a); provided that the Audited Financial Statements of the Borrower may be submitted separately from the balance of the Annual Filing and, subject to Section 4(a), later than the Filing Date if they are not available by that date. If the Borrower's Fiscal Year changes, it shall give notice of such change in the same manner as for a Specified Event under Section 6.

(b) In addition to the annual information required to be filed pursuant to subsection (a), the Borrower shall provide, or shall cause the Dissemination Agent to provide, to the MSRB, not later than 60 days after the end of each of the first three quarters of the Borrower's Fiscal Year, commencing with the fiscal quarter ending December 31, 2026, unaudited financial information for the Borrower for such fiscal quarter prepared by the Borrower, including a balance sheet and a statement of operations.

Section 4. Content of Annual Filing. The Borrower's Annual Filing shall contain or include by reference the following:

(a) The Audited Financial Statements of the Borrower for the prior Fiscal Year, prepared in accordance with generally accepted accounting principles audited by a firm of certified public accountants. If such Audited Financial Statements are not available by the time the Annual Filing is required to be filed pursuant to Section 3(a), unaudited financial statements will be provided as part of the Annual Filing and the Audited Financial Statements shall be filed in the same manner as the Annual Filing when they become available.

(b) A listing of the amounts held in all funds and accounts established under the Collateral Security Agreement.

(c) An update to the debt service coverage information set forth in the table under "FINANCIAL MATTERS" in Appendix A of the Official Statement.

Section 5. Role of Dissemination Agent.

(a) The Dissemination Agent shall file a report with the Borrower (if the Borrower is not then the Dissemination Agent hereunder), the Issuer and the Bond Trustee certifying that the Annual Filing has been provided pursuant to this Disclosure Agreement, and stating the date it was provided.

(b) If the Dissemination Agent is unable to provide to the MSRB an Annual Filing by the Filing Date or to verify that an Annual Filing was provided by such date, the Dissemination Agent shall, in a timely manner, send a notice to the MSRB in an electronic format as prescribed by the MSRB in substantially the form attached hereto as EXHIBIT A.

(c) The Dissemination Agent shall have no duty to prepare any information report nor shall the Dissemination Agent be responsible for filing any report not provided to it by the Borrower in a timely manner and in a form suitable for filing.

(d) Neither the Issuer, the Dissemination Agent nor the Bond Trustee shall have any duty or obligation to review such Annual Filing.

Section 6. Reporting of Specified Events.

(a) The Borrower shall provide (or cause to be provided) to the MSRB in an electronic format and containing such identifying information as is prescribed by the MSRB and in a timely manner, but not later than ten business days after the occurrence of the event, notice of any of the following events with respect to the Bonds, as specified by the Rule:

(1) Principal and interest payment delinquencies;

(2) Non-payment related defaults, if material;

(3) Unscheduled draws on debt service reserves reflecting financial difficulties;

(4) Unscheduled draws on credit enhancements reflecting financial difficulties;

(5) Substitution of credit or liquidity providers, or their failure to perform;

(6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;

(7) Modifications to rights of Bondholders, if material;

(8) Bond calls, if material, and tender offers;

(9) Defeasances;

(10) Release, substitution, or sale of property securing repayment of the Bonds, if material;

(11) Rating changes;

(12) Bankruptcy, insolvency, receivership or similar event of the Borrower; Note: For the purposes of the event identified in this subparagraph (12), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Borrower in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Borrower, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Borrower.

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

(14) Appointment of a successor or additional trustee or the change of name of a trustee, if material;

(15) Incurrence of a Financial Obligation of the Borrower, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Borrower, any of which affect Bondholders, if material; and

(16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Borrower, any of which reflect financial difficulties.

Note:

(i) The Borrower has not obtained or provided, and does not expect to obtain or provide, any debt service reserves, credit enhancements or credit or liquidity providers for the Bonds.

(ii) Any scheduled redemption of Bonds pursuant to mandatory sinking fund redemption requirements does not constitute a Specified Event within the meaning of the Rule.

(iii) Repayment of the Bonds is not secured by a lien on any property capable of release or sale or for which other property may be substituted.

For the Specified Events described in Sections 6(2), (6) (as applicable), (7), (8) (as applicable), (10), (13), (14) and (15), the Borrower, as an Obligated Person with respect to the Bonds, acknowledges that it must make a determination whether such Specified Event is material under applicable federal securities laws in order to determine whether a filing is required.

(b) The Borrower shall provide (or cause to be provided) to the MSRB in an electronic format and containing such identifying information as is prescribed by the MSRB and in a timely manner, but not later than ten business days after the occurrence of the event, notice of any of the termination or replacement of Optimum Energy Co, LLC ("Optimum") under the Project Implementation Agreement between the Borrower and Optimum.

Section 7. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the Borrower from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or providing any other means of communication, or including any other information in any Annual Filing or providing notice of the occurrence of an event, in addition to that which is required by this Disclosure Agreement. If the Borrower chooses to include any information in any document or notice of occurrence of an event in addition to that which is specifically required by this Disclosure Agreement, the Borrower shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Filing or notice of occurrence of a Specified Event.

Section 8. Termination of Reporting Obligations. The obligations of the Borrower under this Disclosure Agreement shall remain in effect only for such period that (a) the Bonds are outstanding in accordance with their terms and (b) the Borrower remains an Obligated Person with respect to the Bonds within the meaning of the Rule. The obligation of the Borrower to provide the Annual Filing, the quarterly information and notices of Specified Events set forth in Section 6 shall terminate, if and when the Borrower no longer remains an Obligated Person with respect to the Bonds. If any person replaces the Borrower as an Obligated Person relating to the Bonds, such person shall be responsible to comply with all provisions of this Disclosure Agreement and the Rule applicable to such Obligated Person and the original Borrower shall have no further responsibility hereunder. If any termination or substitution occurs prior to the final maturity of the Bonds, the Borrower shall give notice of such termination or substitution in the same manner as for a Specified Event under Section 6.

Section 9. Borrower; Dissemination Agent. The Borrower may, from time to time, appoint or engage a Dissemination Agent to act on its behalf in performing its obligations under this Disclosure Agreement and may discharge any such Dissemination Agent, with or without appointing a successor; provided that the Borrower shall not be relieved in any respect by appointment of a Dissemination Agent from primary liability for the performance of its obligations under this Disclosure Agreement. A Dissemination Agent may resign by providing 30 days' written notice to the Borrower and the Bond Trustee. If at any time there is not any other Dissemination Agent, the Borrower shall be the Dissemination Agent.

Section 10. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the Borrower may amend this Disclosure Agreement (and the Dissemination Agent shall agree to any amendment so requested by the Borrower which does not impose any greater duties, nor greater risk of liability, on the Dissemination Agent) and any provision of this Disclosure Agreement may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, or 6, it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law or change in the identity, nature or status of an Obligated Person with respect to the Bonds;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (i) is approved by the Holders of the Bonds in the same manner as provided in the Bond Indenture for amendments to the Bond Indenture with the consent of the Holders, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Holders or Beneficial Owners of the Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Agreement, such amendment shall be described in the next Annual Filing.

Section 11. Default. In the event of a failure of the Borrower or the Dissemination Agent to comply with any provision of this Disclosure Agreement, the Bond Trustee may (and at the request of the Participating Underwriter or the Holders of at least 25% in aggregate principal amount of the Bonds then outstanding, shall, but only to the extent funds in an amount satisfactory to the Bond Trustee have been provided to it or it has otherwise been indemnified to its satisfaction from any cost, liability, expense or additional charges of the Bond Trustee, including attorneys' fees and expenses), or any Holder or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Borrower or the Dissemination Agent, as the case may be, to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed an Event of Default under the Bond Indenture or a Loan Default Event under the Loan Agreement, and the sole remedy under this Disclosure Agreement in the event of any failure of the Borrower or the Dissemination Agent to comply with this Disclosure Agreement shall be an action to compel performance. No person or entity shall be entitled to recover monetary damages under this Disclosure Agreement.

Section 12. Notices. Except as otherwise expressly provided in this Disclosure Agreement, it shall be sufficient service or giving of any notice to the parties hereto, if that notice is either mailed by first class mail, postage prepaid, addressed to the relevant party at its Notice Address. The Borrower and the Bond Trustee may designate from time to time, by notice given hereunder, any further or different addresses (including facsimile transmission numbers) to which any subsequent notice shall be sent.

Section 13. Recordkeeping. The Borrower shall maintain records of all Annual Filings, quarterly information and notices of Specified Events and other events including the content of such disclosure, the names of the entities with whom such disclosures were filed and the date of filing such disclosure.

Section 14. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Issuer, the Borrower, the Trustee, the Dissemination Agent, the Participating Underwriter and the Holders and Beneficial Owners from time to time of the Bonds, and any official, employee or agent thereof acting for and on its behalf, and shall not create any rights in any other person or entity.

Section 15. Governing Law. This Disclosure Agreement shall be governed by and interpreted in accordance with the laws of the State; provided that, to the extent that the Securities and Exchange Commission, the MSRB or any other federal or state agency or regulatory body with jurisdiction over the Bonds shall have promulgated any rule or regulation governing the subject matter hereof, this Certificate shall be interpreted and construed in a manner consistent therewith.

Section 16. Duties, Immunities and Liabilities of Dissemination Agent.

(a) The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement. The Dissemination Agent's obligation to deliver the information at the times and with the contents described herein shall be limited to the extent the Borrower has provided such information to the Dissemination Agent as required by this Disclosure Agreement. The Dissemination Agent shall have no duty with respect to the content of any disclosures or notice made pursuant to the terms hereof. The Dissemination Agent shall have no duty or obligation to review or verify any information, disclosures or notices provided to it by the Borrower and shall not be deemed to be acting in any fiduciary capacity for the Issuer, the Borrower, the Holders of the Bonds or any other party. The Dissemination Agent shall have no responsibility for the Borrower's failure to report to the Dissemination Agent a Listed Event or a duty to determine the materiality thereof. The Dissemination Agent shall have no duty to determine or liability for failing to determine whether the Borrower has complied with this Disclosure Agreement. The Dissemination Agent may conclusively rely upon certifications of the Borrower at all times.

THE BORROWER AGREES TO INDEMNIFY AND SAVE THE DISSEMINATION AGENT AND ITS RESPECTIVE OFFICERS, DIRECTORS, EMPLOYEES AND AGENTS, HARMLESS AGAINST ANY LOSS, EXPENSE AND LIABILITIES WHICH THEY MAY INCUR ARISING OUT OF OR IN THE EXERCISE OR PERFORMANCE OF THEIR POWERS AND DUTIES HEREUNDER, INCLUDING THE COSTS AND EXPENSES (INCLUDING REASONABLE ATTORNEYS FEES) OF DEFENDING AGAINST ANY CLAIM OF LIABILITY, BUT EXCLUDING LIABILITIES DUE TO THE DISSEMINATION AGENT'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT.

The obligations of the Borrower under this Section shall survive resignation or removal of the Dissemination Agent and defeasance, redemption or payment of the Bonds.

(b) The Dissemination Agent may, from time to time, consult with legal counsel (either inhouse or external) of its own choosing in the event of any question or doubt as to the construction of any of the provisions hereof or its respective duties hereunder, and shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel. The reasonable fees and expenses of such counsel shall be payable by the Borrower if the Borrower shall have consented to such consultation in advance.

(c) In connection with any disagreement or controversy, the reasonable fees and expenses of counsel to the prevailing party shall be payable by the other party.

(d) All documents, reports, notices, statements, information and other materials provided to the MSRB under this Disclosure Agreement shall be provided in an electronic format and accompanied by identifying information as prescribed by the MSRB.

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Dated: ______, 2026

MADRONE – SOUTH COUNTY HOSPITAL EaaS I, LLC, a Rhode Island limited liability company

By: Madrone Health Foundation, a California nonprofit public benefit corporation, its sole member

By: ____
Name:_______________________________________
Title: _______________________________________

DIGITAL ASSURANCE CERTIFICATION, L.L.C., as Dissemination Agent

By: ____
Name:_______________________________________
Title: _______________________________________

[Continuing Disclosure Certificate — Series 2026A and Taxable Series 2026B Bonds]

EXHIBIT A

NOTICE TO MSRB OF FAILURE
TO [TIMELY] FILE ANNUAL INFORMATION

$______
Rhode Island Health and Educational Building Corporation
Revenue Bonds
(Madrone – South County Hospital EaaS I)
Series 2026A and Taxable Series 2026B

TO: MSRB

Reference is made to the Continuing Disclosure Agreement, dated a of September 1, 2026 (the "Disclosure Agreement"), executed and delivered by Madrone – South County Hospital EaaS I, LLC (the "Borrower"). The undersigned, as the Dissemination Agent under the Disclosure Agreement, hereby notifies you (with each capitalized term used but not defined herein having the meaning assigned to it in the Disclosure Agreement) that, with respect to the captioned Bonds:

[1. The Borrower, as of the date of this notice, has not provided or caused to be provided to the Dissemination Agent the Annual Filing for its Fiscal Year that ended June 30, 20_ and has not provided any written evidence concerning the timeliness of its Annual Filing with the MSRB. That Annual Filing was required under the Disclosure Agreement to be provided to the Bond Trustee and the MSRB not later than

[1. The Borrower provided or caused to be provided the Annual Filing that was required to be provided to the MSRB not later than , 20 to the MSRB on, 20_.]

[2. The Borrower has provided the attached statement concerning its failure to provide or cause to be provided the Annual Filing in accordance with the Disclosure Agreement. The Dissemination Agent does not assume any responsibility for the accuracy or completeness of that statement and has not undertaken, and will not undertake, any investigation to determine its accuracy or completeness.] [The Borrower anticipates that the Annual Filing will be filed by , 20_.]

Dated: ____________________________________ By:_____________________________________
as Dissemination Agent

cc: Madrone – South County Hospital EaaS I, LLC

APPENDIX I-2

FORM OF SOUTH COUNTY HEALTH CONTINUING DISCLOSURE AGREEMENT

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SOUTH COUNTY HOSPITAL HEALTHCARE SYSTEM
CONTINUING DISCLOSURE AGREEMENT

THIS CONTINUING DISCLOSURE AGREEMENT, dated as of September 1, 2026 (this "Disclosure Agreement"), is executed and delivered by South County Hospital Healthcare System ("South County Health"), in connection with the issuance of $_____ Rhode Island Health and Educational Building Corporation Revenue Bonds (Madrone – South County Hospital EaaS I), Series 2026A and $_____ Rhode Island Health and Educational Building Corporation Revenue Bonds (Madrone – South County Hospital EaaS I), Taxable Series 2026B (collectively, the "Bonds"). The Bonds are being issued pursuant to an Indenture of Trust, dated as of September 1, 2026 (the "Indenture"), between the Rhode Island Health and Educational Building Corporation (the "Issuer") and Argent Trust Company, as trustee (the "Trustee"). The proceeds of the Bonds are being loaned by the Issuer to Madrone – South County Hospital EaaS I, LLC, a Rhode Island limited liability company (the "Borrower"), pursuant to a Loan Agreement, dated as of September 1, 2026 (the "Loan Agreement"), between the Issuer and the Borrower.

South County Health agrees and undertakes as follows:

Section 1. Purpose of this Continuing Disclosure Agreement.

This Disclosure Agreement is being executed and delivered by South County Health and the Dissemination Agent for the benefit of the Bondowners and in order to assist the Participating Underwriters (defined below) in complying with the Rule (defined below). South County Health and the Dissemination Agent each acknowledge that the Issuer has undertaken no responsibility with respect to any reports, notices or disclosures provided or required under this Disclosure Agreement, and has no liability to any person, including any Bondowner, with respect to any such reports, notices or disclosures. The Dissemination Agent, except as provided in Sections 3 and 5(b), has undertaken no responsibility with respect to any reports, notices or disclosures provided or required under this Disclosure Agreement, and has no liability to any person, including any Bondowner, with respect to any such reports, notices or disclosures except for its negligent failure to comply with its obligations under said Sections 3 and 5(b).

Section 2. Definitions.

In addition to the definitions set forth in the Indenture, which apply to any capitalized term used in this Disclosure Agreement unless otherwise defined in this Section or in the introductory paragraphs to this Disclosure Agreement, the following capitalized terms shall have the following meanings:

"*Annual Report*" means any Annual Report provided by South County Health pursuant to, and as described in, Section 3 and Section 4 of this Disclosure Agreement.

"*Audited Financial Statements*" has the meaning set forth in the Indenture.

"*Beneficial Owner*" means any person that has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any of the Bonds (including persons holding Bonds through nominees, depositories or other intermediaries).

"*Dissemination Agent*" shall mean any Dissemination Agent or successor Dissemination Agent designated by South County Health. The same entity may serve as both Trustee and Dissemination Agent. The initial Dissemination Agent shall be Digital Assurance Certification, L.L.C. In the absence of a third-party Dissemination Agent, South County Health shall serve as the Dissemination Agent.

"*EMMA*" means the Electronic Municipal Market Access system of the MSRB or any successor nationally recognized municipal securities repository recognized by the Securities and Exchange Commission for the purposes referred to in the Rule; information regarding submissions to EMMA is available at https://emma.msrb.org/.

"*Exchange Act*" means the Securities Exchange Act of 1934, as amended.

"*Financial Obligation*" means a (i) debt obligation, (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation, or (iii) guarantee of (i) or (ii). The term "Financial Obligation" shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

"*Holder*" means, with respect to the Bonds, the person in whose name a Bond is registered in accordance with the Bond Indenture.

"*Listed Events*" shall mean any of the events listed in Section 6(A) of this Disclosure Agreement.

"*MSRB*" means the Municipal Securities Rulemaking Board.

"*Participating Underwriter*" shall mean any original underwriter of the Bonds in connection with the offering of the Bonds.

"*Quarterly Report*" shall mean any Quarterly Report provided by South County Health pursuant to, and meeting the requirements of, Section 3 of this Disclosure Agreement.

"*Rule*" means Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act.

"*Official Statement*" means the Official Statement related to the Bonds, dated September __, 2026.

"*Unaudited Financial Statements*" has the same meaning as Audited Financial Statements except that such financial statements have not been audited and reported upon by an independent certified public accountant or a firm of independent certified public accountants.

Section 3. Provision of Annual Reports and Quarterly Reports.

(a) South County Health shall, or shall cause the Dissemination Agent to, not later than one hundred seventy-five (175) days after the end of the Fiscal Year (or, if such date falls on a Saturday, Sunday or holiday, then the first Business Day thereafter), commencing with the Annual Report for the Fiscal Year ending September 30, 2026 (such date, and each anniversary thereof, shall be hereinafter referred to as the "Annual Filing Date"), provide to the MSRB, in an electronic format (by transmission to EMMA) and accompanied by identifying information as prescribed by the MSRB, an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Agreement. Each Annual Report may be submitted as a single document or as separate documents comprising a package and may include by reference other information as provided in Section 4 of this Disclosure Agreement; provided that the Audited Financial Statements referred to in Section 4(A) may be submitted separately from the balance of the Annual Report and later than the Annual Filing Date if such Audited Financial Statements are not available by that date. If the Fiscal Year changes, South County Health shall give notice of such change in the same manner as for a Listed Event under Section 6(A).

(b) Commencing with South County Health's fiscal quarter ending September 30, 2026, South County Health, not later than 60 days after the end of each of the first, second and third fiscal quarters (i.e., the fiscal quarters ending December 31, March 31 and June 30), and not later than 90 days after the end of each fourth fiscal quarter (i.e., the fiscal quarter ending September 30) (each a "Quarterly Report Filing Deadline" and, together with the Annual Report Filing Deadline, the "Filing Deadline"), shall provide, or cause the Dissemination Agent to provide, a Quarterly Report to the MSRB that is consistent with the requirements of Section 4 of this Disclosure Agreement. The Quarterly Report is not part of South County Health's obligations under the Rule. In the event that South County Health elects that the Dissemination Agent shall file an Annual Report or any Quarterly Report, South County Health (if it is not the Dissemination Agent) shall provide the Annual Report or Quarterly Report to the Dissemination Agent not later than five Business Days prior to the applicable Filing Deadline

Section 4. Content of Annual Reports and Quarterly Reports.

(a) The Annual Report shall contain or include by reference the following:

(i) Audited consolidated financial statements of South County Health and subsidiaries and independent accountant's report for such fiscal year.

(ii) Information with respect to South County Health of the kind, and in substantially the same form and scope as found in Appendix B to the Official Statement or incorporated by reference in Appendix B to the Official Statement, to the extent such information is not included in the audited consolidated financial statements filed pursuant to Section 4(a), in the sections captioned (with reference to the sections contained in APPENDIX B – "INFORMATION CONCERNING SOUTH COUNTY HOSPITAL HEALTHCARE SYSTEM" of the Official Statement, relating to South County Health: "– Utilization Statistics," "– Sources of Patient Service Revenue," and a description of any material adverse developments related to pension programs, insurance, licensure and accreditation, litigation or environmental issues.

(iii) The following information relative to performance under the Energy Resilience and Performance Agreement between South County Health and the Borrower (the "ERPA"):

A. The Guaranteed Savings Shortfall or Surplus calculated in accordance with the ERPA, including any supporting documentation related thereto;

B. any Service Lapses determined pursuant to the ERPA;

C. any other Key Performance Indicators determined at any Quarterly Business Reviews conducted pursuant to the ERPA; and

D. any KPI Payments made pursuant to the ERPA.

(b) The Quarterly Report shall contain or include an unaudited summary income statement and balance sheet for South County Health and subsidiaries, as well as an update to the the sections contained in APPENDIX B – "INFORMATION CONCERNING SOUTH COUNTY HOSPITAL HEALTHCARE SYSTEM" of the Official Statement, relating to South County Health: "– Utilization Statistics," "– Sources of Patient Service Revenue," and a description of any material adverse developments related to pension programs, insurance, licensure and accreditation, litigation or environmental issues.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of South County Health or any of its affiliates, which have been made available to the public and provided to the MSRB in electronic format (by transmission to EMMA). South County Health shall clearly identify each such other document so included by reference.

Section 5. Role of Dissemination Agent.

If South County Health is not then the Dissemination Agent hereunder:

(a) The Dissemination Agent shall file a report with South County Health certifying that the Annual Report has been provided pursuant to this Disclosure Agreement, stating the date it was provided.

(b) If the Dissemination Agent is unable to provide to the MSRB an Annual Report by the Filing Date or to verify that an Annual Report was provided by such date, the Dissemination Agent shall, in a timely manner, send a notice to the MSRB in an electronic format as prescribed by the MSRB in substantially the form attached hereto as Exhibit A.

(c) The Dissemination Agent shall have no duty to prepare any information report nor shall the Dissemination Agent be responsible for filing any report not provided to it by South County Health in a timely manner and in a form suitable for filing.

(d) Neither the Issuer, the Dissemination Agent nor the Trustee shall have any duty or obligation to review such Annual Report.

Section 6. Reporting of Listed Events.

(a) South County Health shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds in a timely manner not later than ten (10) Business Days after the occurrence of the event, such notice to be provided to the MSRB, in an electronic format (by transmission to EMMA) and accompanied by identifying information as prescribed by the MSRB:

(1) Bankruptcy, insolvency, receivership, or similar event of South County Health;

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

(3) Incurrence of a Financial Obligation of South County Health, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of South County Health, any of which affect Bondholders, if material; and

(4) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of South County Health, any of which reflect financial difficulties.

Note: For the purposes of the event identified in subsection (a)(1), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for South County Health in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of South County Health, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of South County Health.

Section 7. Termination of Reporting Obligations.

South County Health's obligations under this Disclosure Agreement shall terminate upon the defeasance, prior redemption or payment in full of all of the Bonds or upon delivery of an opinion of counsel expert in federal securities laws selected by South County Health to the effect that compliance with this Disclosure Agreement no longer is required by the Rule; provided, however, that South County Health shall be required to provide Quarterly Reports in the manner required hereunder for so long as South County Health is required to comply with the other provisions of this Disclosure Agreement regardless of whether the provision of Quarterly Reports is required by the Rule. If any person replaces South County Health as an obligated person relating to the Bonds, such person shall be responsible for complying with all provisions of this Disclosure Agreement and the rule applicable to such person and South County Health shall have no further responsibility hereunder. If any termination or substitution occurs prior to the final maturity of the Bonds, South County Health shall give notice of such termination or substitution in the same manner as for a Specified Event under Section 6.

Section 8. South County Health; Dissemination Agent.

South County Health may, from time to time appoint or engage a third-party Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement, and may, discharge any such third-party Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent (if other than South County Health) may resign upon 30 days' written notice to South County Health.

Section 9. Amendment; Waiver.

Notwithstanding any other provision of this Disclosure Agreement, South County Health and the Dissemination Agent may amend this Disclosure Agreement (and, except as provided in the last sentence of this Section 9, the Dissemination Agent shall agree to any amendment so requested by South County Health, so long as it does not adversely impact the Dissemination Agent's rights and obligations or increases their respective duties (such determination to be made in the sole discretion of the Dissemination Agent)) and any provision of this Disclosure Agreement may be waived, if such amendment or waiver is supported by an opinion of counsel expert in federal securities laws acceptable to South County Health and the Dissemination Agent to the effect that such amendment or waiver would not, in and of itself, violate the Rule. Without limiting the foregoing, South County Health and the Dissemination Agent may amend this Disclosure Agreement if (a) such amendment is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of South County Health or of the type of business conducted by South County Health; (b) this Disclosure Agreement, as so amended, would have complied with the requirements of the Rule at the time the Bonds were issued, taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and (c) an opinion of counsel expert in federal securities laws is received to the effect that, the amendment does not materially impair the interests of the Bondowners. The first Annual Report filed after any amendment or waiver of this Disclosure Agreement will explain, in narrative form, the reasons for the amendment or waiver and the impact of the change, if any, in the type of operating data or financial information being provided. The Dissemination Agent shall not be required to accept or acknowledge any amendment of this Disclosure Agreement if the Dissemination Agent determines in its sole discretion that the amendment adversely affects its rights or immunities or increases its duties hereunder.

Section 10. Additional Information.

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

Section 11. Default.

In the event of a failure of South County Health or the Dissemination Agent to comply with any provision of this Disclosure Agreement, any Bondowner may take such actions as may be necessary and appropriate, including seeking specific performance by court order, to cause South County Health or the Dissemination Agent, as the case may be, to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed an Event of Default under the Bond Indenture or the Loan Agreement, and the sole remedy under this Disclosure Agreement in the event of any failure of South County Health or the Dissemination Agent to comply with this Disclosure Agreement shall be an action to compel performance.

Section 12. Beneficiaries.

This Disclosure Agreement shall inure solely to the benefit of South County Health, the Dissemination Agent, the Participating Underwriter and the Holders and the Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Section 13. Disclaimer.

No Annual Report, Quarterly Reports or notice of a Listed Event filed by or on behalf of South County Health under this Disclosure Agreement shall obligate South County Health to file any information regarding matters other than those specifically described in Section 4 and Section 5 hereof, nor shall any such filing constitute a representation by South County Health or raise any inference that no other material events have occurred with respect to South County Health or the Bonds or that all material information regarding South County Health or the Bonds has been disclosed. South County Health shall have no obligation under this Disclosure Agreement to update information provided pursuant to this Disclosure Agreement except as specifically stated herein.

Section 14. Notices.

Unless otherwise expressly provided, all notices to South County Health and the Dissemination Agent shall be in writing and shall be deemed sufficiently given if sent by registered or certified mail, postage prepaid, or delivered or sent by facsimile during business hours to South County Health, to the Dissemination Agent at _____, Attention: ______, as to all of the foregoing, to such other address as the addressee shall have indicated by prior written notice to the party giving notice.

Section 15. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument. The exchange of copies of this Disclosure Agreement and of signature pages by facsimile or PDF transmission shall constitute effective execution and delivery of this Disclosure Agreement as to the parties hereto and may be used in lieu of the original Disclosure Agreement and signature pages for all purposes.

Section 16. Governing Law. This Disclosure Agreement shall be governed by the laws of the State of Rhode Island.

Section 17. Duties, Immunities and Liabilities of Dissemination Agent.

(a) The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement. The Dissemination Agent's obligation to deliver the information at the times and with the contents described herein shall be limited to the extent South County Health has provided such information to the Dissemination Agent as required by this Disclosure Agreement. The Dissemination Agent shall have no duty with respect to the content of any disclosures or notice made pursuant to the terms hereof. The Dissemination Agent shall have no duty or obligation to review or verify any information, disclosures or notices provided to it by South County Health and shall not be deemed to be acting in any fiduciary capacity for the Issuer, South County Health, the Holders of the Bonds or any other party. The Dissemination Agent shall have no responsibility for South County Health's failure to report to the Dissemination Agent a Listed Event or a duty to determine the materiality thereof. The Dissemination Agent shall have no duty to determine or liability for failing to determine whether South County Health has complied with this Disclosure Agreement. The Dissemination Agent may conclusively rely upon certifications of South County Health at all times.

SOUTH COUNTY HEALTH AGREES TO INDEMNIFY AND SAVE THE DISSEMINATION AGENT AND ITS RESPECTIVE OFFICERS, DIRECTORS, EMPLOYEES AND AGENTS, HARMLESS AGAINST ANY LOSS, EXPENSE AND LIABILITIES WHICH THEY MAY INCUR ARISING OUT OF OR IN THE EXERCISE OR PERFORMANCE OF THEIR POWERS AND DUTIES HEREUNDER, INCLUDING THE COSTS AND EXPENSES (INCLUDING REASONABLE ATTORNEYS FEES) OF DEFENDING AGAINST ANY CLAIM OF LIABILITY, BUT EXCLUDING LIABILITIES DUE TO THE DISSEMINATION AGENT'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT.

The obligations of South County Health under this Section shall survive resignation or removal of the Dissemination Agent and defeasance, redemption or payment of the Bonds.

(b) The Dissemination Agent may, from time to time, consult with legal counsel (either inhouse or external) of its own choosing in the event of any question or doubt as to the construction of any of the provisions hereof or its respective duties hereunder, and shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel. The reasonable fees and expenses of such counsel shall be payable by South County Health if South County Health shall have consented to such consultation in advance.

(c) In connection with any disagreement or controversy, the reasonable fees and expenses of counsel to the prevailing party shall be payable by the other party.

(d) All documents, reports, notices, statements, information and other materials provided to the MSRB under this Disclosure Agreement shall be provided in an electronic format and accompanied by identifying information as prescribed by the MSRB.

[Signature is on Following Page]

SOUTH COUNTY HOSPITAL HEALTHCARE SYSTEM,

By:
Name:
Title:

DIGITAL ASSURANCE CERTIFICATION, L.L.C., as Dissemination Agent

By:
Name:
Title:

[Continuing Disclosure Agreement — Series 2026 Madrone – South County Hospital EaaS I]

EXHIBIT A

NOTICE TO MSRB OF FAILURE TO FILE ANNUAL OR QUARTERLY REPORT

Name of Issuer:	Rhode Island Health and Educational Building Corporation
Name of Bond Issue:	Rhode Island Health and Educational Building Corporation Revenue Bonds (Madrone – South County Hospital EaaS I), Series 2026A and Rhode Island Health and Educational Building Corporation Revenue Bonds (Madrone – South County Hospital EaaS I), Taxable Series 2026B (collectively, the "Bonds")
Obligated Person:	South County Hospital Healthcare System ("South County Health")
Date of Issuance of Bonds:	______, 2026

NOTICE IS HEREBY GIVEN that South County Health has not provided an [Annual] [Quarterly] Report for the [year][quarter] ended ______, 20__,with respect to the above-named Bonds as required by the Continuing Disclosure Agreement, dated ____ 1, 2026, executed and delivered by South County Health. and _______, as Dissemination Agent]

Dated:_________________________

By:__________________________________
Name: ______________________________
Title:________________________________

cc: South County Hospital Healthcare System

APPENDIX J

FORM OF APPROVING OPINION OF SPECIAL TRANSACTION COUNSEL

[Closing Date]

Rhode Island Health and
Educational Building Corporation
Providence, Rhode Island

Rhode Island Health and Educational Building Corporation
Revenue Bonds (Madrone – South County Hospital EaaS I),
Series 2026A and Taxable Series 2026B
(Final Opinion)

Ladies and Gentlemen:

We have acted as Special Transaction Counsel to Optimum Energy, LLC in connection with the issuance of $__________ aggregate principal amount of Rhode Island Health and Educational Building Corporation Revenue Bonds (Madrone – South County Hospital EaaS I), Series 2026A (the "Series 2026A Bonds"), and $__________ aggregate principal amount of Rhode Island Health and Educational Building Corporation Revenue Bonds (Madrone – South County Hospital EaaS I), Taxable Series 2026B (the "Series 2026B Bonds" and, together with the Series 2026A Bonds, the "Bonds"), issued pursuant to an indenture of trust, dated as of September 1, 2026 (the "Indenture"), between the Rhode Island Health and Educational Building Corporation (the "Issuer") and Argent Trust Company, as trustee (the "Trustee"). The Indenture provides that the Bonds are issued for the stated purpose of making a loan of the proceeds thereof to Madrone – South County Hospital EaaS I, LLC, a Rhode Island limited liability company (the "Borrower"), pursuant to a loan agreement, dated as of September 1, 2026 (the "Loan Agreement"), between the Issuer and the Borrower. Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Indenture.

In such connection, we have reviewed the Indenture; the Loan Agreement; the Tax Agreement relating to the Series 2026A Bonds; opinions of counsel to the Issuer, the Trustee, the Borrower, South County Hospital Healthcare System ("South County Health") and Ocean View Health Venture, LLC ("Ocean View" and collectively with South County Health, the "South County Entities"); certificates of the Issuer, the Trustee, the Borrower, the South County Entities and others, and such other documents, opinions and matters to the extent we deemed necessary to render the opinions set forth herein.

We have assumed the correctness of the opinion of (i) Hawkins, Delafield & Wood, LLP, counsel to the Borrower and Madrone Health Foundation ("MHF"), a California nonprofit public benefit corporation (which is the sole member of the Borrower), regarding, among other matters, the current qualification of MHF as an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986 (the "Code") and the status of the Borrower as a disregarded entity of MHF for federal income tax purposes and the application of the Series 2026A Bond proceeds as described in the Financing Documents as being in furtherance of MHF's charitable purposes under Section 513(a) of the Code, and (ii) Nixon Peabody LLP, counsel to the South County Entities, regarding the current qualification of South County Health as an organization described in Section 501(c)(3) of the Code and the status of Ocean View as a disregarded entity of South County Health for federal income tax purposes. We note that such opinions are subject to a number of qualifications and limitations. We have also assumed the correctness of representations of South County Health, on its own behalf and on behalf of the other South County Entities, regarding the use of the facilities financed and refinanced with the proceeds of the Series 2026A Bonds in activities that are not considered unrelated trade or business activities of the South County Entities within the meaning of Section 513 of the Code. We note that the opinion of counsel to the South County Entities does not address Section 513 of the Code. Failure of MHF or South County Health to be organized and operated in accordance with the Internal Revenue Service's requirements for the maintenance of their status as organizations described in Section 501(c)(3) of the Code, or use of the bond-financed or refinanced facilities in activities that are considered unrelated trade or business activities of MHF or South County Health within the meaning of Section 513 of the Code, may result in interest on the Series 2026A Bonds being included in gross income for federal income tax purposes, possibly from the date of issuance of the Series 2026A Bonds.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after original delivery of the Bonds on the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions are taken or omitted or events do occur or any other matters come to our attention after original delivery of the Bonds on the date hereof. Accordingly, this letter speaks only as of its date and is not intended to, and may not, be relied upon or otherwise used in connection with any such actions, events or matters. Our engagement with respect to the Bonds has concluded with their issuance, and we disclaim any obligation to update this letter. We have assumed that each document and each signature thereon provided to us is genuine and that each such document has been duly and legally executed by, and constitutes a valid and binding agreement of, each party thereto other than the Issuer. We have assumed, without undertaking to verify, the accuracy of the factual matters represented, warranted or certified in the documents, and of the legal conclusions contained in the opinions, referred to in the second and third paragraphs hereof. Furthermore, we have assumed compliance with all covenants and agreements contained in the Indenture, the Loan Agreement and the Tax Agreement relating to the Series 2026A Bonds, including (without limitation) covenants and agreements compliance with which is necessary to assure that future actions, omissions or events will not cause interest on the Series 2026A Bonds to be included in gross income for federal income tax purposes. We call attention to the fact that the rights and obligations under the Bonds, the Indenture, the Loan Agreement and the Tax Agreement relating to the Series 2026A Bonds and their enforceability may be subject to bankruptcy, insolvency, receivership, reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against governmental entities such as the Issuer in the State of Rhode Island. We express no opinion with respect to any indemnification, contribution, liquidated damages, penalty (including any remedy deemed to constitute a penalty), right of set-off, arbitration, choice of law, choice of forum, choice of venue, non-exclusivity of remedies, waiver or severability provisions contained in the foregoing documents, nor do we express any opinion with respect to the state or quality of title to or interest in any of the property described in or as subject to the lien of the Indenture, or the accuracy or sufficiency of the description contained therein of, or the remedies available to enforce liens on, any such property. Our services did not include financial or other non-legal advice. Finally, we undertake no responsibility for the accuracy, completeness or fairness of the Official Statement or other offering material relating to the Bonds and express no view with respect thereto.

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

1. The Bonds constitute the valid and binding limited obligations of the Issuer.

2. The Indenture has been duly executed and delivered by, and constitutes the valid and binding agreement of, the Issuer. The Indenture creates a valid pledge, to secure the payment of the principal of and interest on the Bonds, of the Trust Estate pledged therefor under the Indenture, subject to the provisions of the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth in the Indenture.

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

4. Interest on the Series 2026A Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Code. Interest on the Series 2026A Bonds is not a specific preference item for purposes of the federal individual alternative minimum tax. We observe that interest on the Series 2026A Bonds included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. We observe that interest on the Series 2026B Bonds is not excluded from gross income for federal income tax purposes. Interest on the Bonds and any profit made on the sale thereof are exempt from taxation by the State of Rhode Island or any political subdivision or other instrumentality thereof. We express no opinion regarding other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Bonds.

Faithfully yours,

ORRICK, HERRINGTON & SUTCLIFFE LLP

per

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APPENDIX K

BOOK-ENTRY-ONLY SYSTEM

The information in this Appendix concerning DTC and DTC's book-entry system has been obtained from DTC and neither the Issuer, the Borrower, South County Health nor the Underwriter make any representation or warranty or take any responsibility for the accuracy or completeness of such information.

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Series 2026 Bonds. The Series 2026 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered bond certificate will be issued for each maturity of the Series 2026 Bonds, each in the aggregate principal amount of each such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing Corporation" within the meaning of the New York Uniform Commercial Code and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, as amended. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing Corporations and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing Corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Series 2026 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2026 Bonds on DTC's records. The ownership interest of each actual purchaser of the Series 2026 Bonds ("Beneficial Owner") is in turn to be recorded on the Direct Participants' and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2026 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their beneficial ownership interests in the Series 2026 Bonds, except in the event that use of the book-entry system for the Series 2026 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2026 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Series 2026 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2026 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2026 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the Series 2026 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2026 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the security documents. For example, Beneficial Owners of the Series 2026 Bonds may wish to ascertain that the nominee holding the Series 2026 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Registrar and request that copies of the notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Series 2026 Bonds are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such Series 2026 Bonds to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2026 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the respective Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 2026 Bonds are credited on the record date (established by DTC and identified in a listing attached to the Omnibus Proxy).

Principal, premium, if any, the Make-Whole Redemption Price, redemption proceeds, and interest payments on the Series 2026 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from the Issuer or the Trustee on a payment date in accordance with their respective holdings shown on DTC's records. Payments by Direct Participants or Indirect Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Direct Participants or Indirect Participants and not of DTC (nor its nominee), the Trustee, the Issuer, or the Borrower, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, premium, redemption proceeds, and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Trustee, the Issuer or the Borrower, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of the Direct Participants and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Series 2026 Bonds at any time by giving reasonable notice to the Issuer or the Trustee. Under such circumstances, in the event that a successor securities depository is not obtained, Series 2026 Bonds certificates are required to be printed and delivered.

The Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Series 2026 Bonds certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Issuer and the Borrower believe to be reliable, but neither the Issuer nor the Borrower takes responsibility for the accuracy thereof.

SO LONG AS CEDE & CO. IS THE REGISTERED OWNER OF THE SERIES 2026 BONDS, AS NOMINEE OF DTC, REFERENCES HEREIN TO THE HOLDER OF THE SERIES 2026 BONDS OR REGISTERED OWNERS OF THE SERIES 2026 BONDS SHALL MEAN CEDE & CO. AND SHALL NOT MEAN THE BENEFICIAL OWNERS OF THE SERIES 2026 BONDS.

The Issuer can make no assurances that DTC will distribute payments of principal of, redemption premium, if any, or interest on the Series 2026 Bonds to the Direct Participants, or that Direct Participants and Indirect Participants will distribute payments of principal of, redemption price, if any, or interest on the Series 2026 Bonds or redemption notices to the Beneficial Owners of such Series 2026 Bonds or that they will do so on a timely basis, or that DTC or any of its Direct Participants or Indirect Participants will act in a manner described in this Official Statement. The Issuer is not responsible or liable for the failure of DTC to make any payment to any Direct Participant or failure of any Direct Participant or Indirect Participant to give any notice or make any payment to a Beneficial Owner in respect to the Series 2026 Bonds or any error or delay relating thereto.

The rights of holders of beneficial interests in the Series 2026 Bonds and the manner of transferring or pledging those interests is subject to applicable state law. Holders of beneficial interests in the Series 2026 Bonds may want to discuss the manner of transferring or pledging their interest in the Series 2026 Bonds with their legal advisors.

The Issuer may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, the Series 2026 Bonds certificates will be printed and delivered. Thereafter, the Series 2026 Bonds certificates may be transferred and exchanged as described in the Indenture. See APPENDIX E – "FORM OF INDENTURE."

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APPENDIX L

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF SOUTH COUNTY HOSPITAL HEALTHCARE SYSTEM ENDOWMENT AND AFFILIATES FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2025 AND 2024

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SOUTH COUNTY HOSPITAL HEALTHCARE SYSTEM ENDOWMENT AND AFFILIATES

Consolidated Financial Statements and Schedules

September 30, 2025 and 2024

(With Independent Auditors’ Report Thereon)

SOUTH COUNTY HOSPITAL HEALTHCARE SYSTEM
ENDOWMENT AND AFFILIATES

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KPMG LLP
One Financial Plaza, Suite 2300
Providence, RI 02903

Independent Auditors' Report

The Board of Trustees
South County Hospital Healthcare System Endowment and Affiliates:

Opinion

We have audited the consolidated financial statements of South County Hospital Healthcare System Endowment and Affiliates (the Endowment), which comprise the consolidated balance sheets as of September 30, 2025 and 2024, and the related consolidated statements of operations and changes in net assets without donor restrictions, changes in net assets, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Endowment as of September 30, 2025 and 2024, and the results of their operations, changes in their net assets, and their cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Endowment and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with U.S. generally accepted accounting principles, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Endowment's ability to continue as a going concern for one year after the date that the consolidated financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Endowment's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Endowment's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information included in Schedules 1 through 12 is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

KPMG LLP

Providence, Rhode Island
January 27, 2026

SOUTH COUNTY HOSPITAL HEALTHCARE SYSTEM
ENDOWMENT AND AFFILIATES

Consolidated Balance Sheets

September 30, 2025 and 2024

Assets		2025	2024
Current assets:			
Cash and cash equivalents (note 2(g) and 5)	$	13,084,780	12,553,668
Board-designated investments (note 5, 6 and 7)		59,457,849	55,756,249
Patient accounts receivable (note 2(h) and 5)		22,404,192	15,541,089
Current portion of pledges receivable (note 14)		513,758	1,486,627
Inventories		5,158,513	5,152,510
Prepaid expenses and other current assets		5,944,162	8,794,687
Total current assets		106,563,254	99,284,830
Assets limited as to use:			
Endowment assets internally designated by Board of trustee (note 5, 6, and 7)		17,458,430	21,920,778
Assets held in trust (note 6, 7 and 11)		23,342,690	24,436,870
Donor restricted and other funds (note 6 and 7)		7,471,003	11,395,078
		48,272,123	57,752,726
Right of use assets, net of amortization		12,080,150	13,859,871
Property, plant, and equipment, net (note 8)		63,195,102	64,744,738
Pledges receivable, net of current portion (note 14)		999,675	922,082
Fair value of swap agreements (note 9)		741,626	694,099
Other assets (note 2(m))		4,572,200	5,217,704
Total assets	$	236,424,130	242,476,050

(Continued)

SOUTH COUNTY HOSPITAL HEALTHCARE SYSTEM
ENDOWMENT AND AFFILIATES

Consolidated Balance Sheets

September 30, 2025 and 2024

Liabilities and Net Assets		2025	2024
Current liabilities:			
Current installments of long-term debt (note 9)	$	7,907,155	24,247,512
Accounts payable		15,106,378	12,829,514
Accrued expenses		17,649,151	14,662,443
Estimated third party payor settlements (note 3)		1,572,091	4,070,033
Operating lease liabilities, current portion		1,610,037	1,711,382
Other current liabilities		19,685	81,033
Total current liabilities		43,864,497	57,601,917
Operating lease liabilities, non-current portion		10,707,194	12,317,231
Long-term debt, net of current installments (note 9)		25,430,049	10,487,252
Accrued pension cost (note 10)		6,121,489	9,839,888
Other liabilities (note 3 and 11)		18,417,851	22,858,519
Total liabilities		104,541,080	113,104,807
Commitments and contingencies (note 4, 8, 9, 10, 11, and 13)			
Net assets:			
Without donor restrictions (note 2(u), and 7)		114,519,018	109,312,677
With donor restrictions (note 2(u) and 7)		17,364,032	20,058,566
Total net assets		131,883,050	129,371,243
Total liabilities and net assets	$	236,424,130	242,476,050

See accompanying notes to consolidated financial statements.

SOUTH COUNTY HOSPITAL HEALTHCARE SYSTEM
ENDOWMENT AND AFFILIATES

Consolidated Statements of Operations and Changes in Net Assets without Donor Restrictions

Years ended September 30, 2025 and 2024

		2025	2024
Unrestricted revenues, gains, and other support:			
Net patient service revenue (notes 2(d) and 4)	$	231,969,989	241,157,478
Contributions		534,255	522,133
Other revenue (note 2(f))		4,960,217	5,614,215
Total unrestricted revenues, gains, and other support		237,464,461	247,293,826
Expenses:			
Salaries and wages		107,459,811	105,040,092
Fringe benefits (note 10)		24,280,596	25,665,792
Supplies and other expenses		95,912,913	101,418,772
State license fee		5,078,863	5,026,973
Depreciation and amortization		10,261,039	10,877,360
Interest (note 9)		1,718,275	1,908,427
Total operating expenses		244,711,497	249,937,416
Operating loss		(7,247,036)	(2,643,590)
Nonoperating gains (losses):			
Investment income		3,494,608	2,324,242
Change in net unrealized gain on marketable investments		1,354,353	11,740,695
Unrealized gain in equity interests in limited partnerships		2,516,422	1,032,427
Unrealized gain (loss) on interest rate swap (note 9)		47,524	(667,805)
(Losses) gains on disposals of fixed assets		(500,000)	177,925
Non service cost components of net pension cost (note 10)		(335,731)	(289,004)
(Deficiency) excess of revenues over expenses		(669,860)	11,674,890
Change in funded status of employee benefit plans (note 10)		2,351,832	102,626
Net assets released for capital expenditures		3,524,369	722,079
Change in net assets without donor restrictions	$	5,206,341	12,499,595

See accompanying notes to consolidated financial statements.

SOUTH COUNTY HOSPITAL HEALTHCARE SYSTEM
ENDOWMENT AND AFFILIATES

Consolidated Statements of Changes in Net Assets

Years ended September 30, 2025 and 2025

		2025	2024
Net assets without donor restrictions:			
(Deficiency) excess of revenues over expenses	$	(669,860)	11,674,890
Change in funded status of employee benefit plans (note 10)		2,351,832	102,626
Net assets released for capital expenditures		3,524,369	722,079
Change in net assets without donor restrictions		5,206,341	12,499,595
Net assets with donor restrictions:			
Contributions		595,362	3,055,462
Change in net realized and unrealized gains on investments		31,480	100,379
Change in value of perpetual and charitable remainder trusts		904,971	1,600,611
Net assets released from restrictions		(4,226,347)	(1,129,278)
Change in net assets with donor restrictions		(2,694,534)	3,627,174
Change in net assets		2,511,807	16,126,769
Net assets, beginning of year		129,371,243	113,244,474
Net assets, end of year	$	131,883,050	129,371,243

See accompanying notes to consolidated financial statements.

SOUTH COUNTY HOSPITAL HEALTHCARE SYSTEM
ENDOWMENT AND AFFILIATES

Consolidated Statements of Cash Flows

Years ended September 30, 2025 and 2024

		2025	2024
Cash flows from operating activities:			
Change in net assets	$	2,511,807	16,126,769
Adjustments to reconcile change in net assets to net cash provided by operating activities:			
Depreciation and amortization		10,261,039	10,877,360
Amortization bond cost of issuance		118,955	74,921
Losses (gains) on disposals of fixed assets		500,000	(177,925)
Change in funded status of employee benefit plans		(2,351,832)	(102,626)
Unrealized gain on interest rate swap		(47,524)	667,805
Change in net unrealized loss (gain) on marketable investments		(3,872,515)	(15,197,743)
Restricted contributions received		(595,362)	(1,434,911)
Changes in assets and liabilities:			
Patient accounts receivable		(6,863,103)	2,567,180
Inventories		(6,003)	(392,148)
Prepaid expenses and other current assets		2,943,582	(2,515,004)
Other assets		220,504	234,290
Accounts payable		2,276,864	(891,148)
Accrued expenses		2,986,708	16,905
Estimated third party payor settlements		(2,497,942)	445,945
Accrued pension cost		(1,366,567)	(1,360,753)
Lease assets and liabilities		68,339	74,759
Other liabilities		(4,502,016)	1,517,378
Net cash (used in) provided by operating activities		(215,066)	10,531,054
Cash flows from investing activities:			
Purchase of property, plant, and equipment		(8,786,405)	(3,438,687)
Proceeds from sale of property		—	180,088
Increase in assets limited as to use		8,031,534	(3,483,602)
Sales of investments		31,272,787	32,208,636
Purchases of investments		(28,757,527)	(30,018,438)
Net cash provided by (used in) investing activities		1,760,389	(4,552,003)
Cash flows from financing activities:			
Repayments on long-term debt		(1,516,515)	(4,096,497)
Repayments on line of credit		—	(2,000,000)
Principal payments on finance lease obligations		(93,058)	(752,954)
Proceeds from restricted contributions		595,362	1,434,911
Net cash used in financing activities		(1,014,211)	(5,414,540)
Net increase in cash and cash equivalents		531,112	564,511
Cash and cash equivalents, beginning of year		12,553,668	11,989,157
Cash and cash equivalents, end of year	$	13,084,780	12,553,668
Supplemental disclosures:			
Cash paid for interest	$	1,517,802	1,854,185

See accompanying notes to consolidated financial statements.

(1) Organization

South County Hospital Healthcare System Endowment and Affiliates (the Endowment) is a not-for-profit corporation organized to support the advancement of medicine and other related health care activities for the benefit of South County Hospital Healthcare System and Affiliates (the Hospital). The Endowment controls the Hospital, a not-for-profit entity that provides inpatient, outpatient, and emergency care for residents of Southern Rhode Island and Southeastern Connecticut. Admitting physicians are primarily practitioners in the local area. The table below is a summary of affiliated organizations which are controlled by the Hospital and are included in the consolidated financial statements. All material intercompany accounts and transactions are eliminated in consolidation.

South County Hospital	A private, not-for-profit, multidisciplinary, acute care hospital formed to provide inpatient and outpatient services for the benefit of patients.
South County Home Health (formerly VNS HomeCare, Inc.)	A not-for-profit corporation which provides and administers a comprehensive multi-disciplinary, therapeutic, public health nursing program.
South County Health Foundation	A not-for-profit corporation organized with the sole purpose to support the philanthropic needs of the Endowment.
Ocean View Health Venture	A for-profit limited liability corporation whose purpose is to lease the medical office building located on the Hospital campus to provide medical service access to the South County Community.
Silver Spring Health Care Management	A for-profit holding corporation whose purpose is to process the physician patient billing.

(2) Summary of Significant Accounting Policies

(a) Basis of Statement Presentation

The accompanying consolidated financial statements, which are presented on the accrual basis of accounting, have been prepared consistent with U.S. generally accepted accounting principles (GAAP) and the American Institute of Certified Public Accountants *Audit and Accounting Guide, Health Care Organizations* (Audit Guide). Net assets and changes therein are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets without donor restrictions are amounts not subject to donor-imposed stipulation and are available for operations. Net assets with donor restrictions are those whose use has been limited by a donor to a specific time period, purpose or to be maintained in perpetuity.

(b) Use of Estimates

The preparation of the consolidated financial statements, in conformity with U.S. generally accepted accounting principles, requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Actual results could differ materially from those estimates.

(c) (Deficiency) Excess of Revenues over Expenses

The consolidated statements of operations and changes in net assets without donor restrictions include a performance indicator, the (deficiency) excess of revenues over expenses. Changes in net assets without donor restrictions, which are excluded from the determination of (deficiency) excess of revenues over expenses, consistent with GAAP, include permanent transfer of assets to and from affiliates for goods or services, contributions of long-lived assets (including assets acquired using contributions which by donor restrictions were to be used for the purposes of acquiring such assets), and changes in the funded status of employee benefit plans.

(d) Patient Service Revenue

The Hospital's patient service revenue is reported at the amount that reflects the consideration to which the Hospital expects to be entitled in exchange for providing patient care. These amounts are due from patients, third party payors, and others and include an estimate of variable consideration for retroactive revenue adjustments due to settlement of audits, reviews, and investigations. Generally, the Hospital bills the patients and third party payors several days after the services are performed and/or the patient is discharged from the Hospital.

Revenue is recognized as performance obligations are satisfied. Performance obligations are determined based on the nature of the services provided by the Hospital. Revenue for performance obligations satisfied over time is recognized based on actual charges incurred in relation to total expected (or actual) charges. The Hospital believes that this method provides a reasonable representation of the transfer of services over the term of the performance obligation based on the inputs needed to satisfy the obligation. Generally, performance obligations satisfied over time relate to inpatient services. The Hospital measures the performance obligation from admission into the hospital to the point when it is no longer required to provide services to that patient, which is generally at the time of discharge. Revenue for performance obligations satisfied at a point in time is recognized when goods or services are provided and the Hospital does not believe it is required to provide additional goods or services to the patient.

The majority of the Hospital's services are rendered to patients with third party coverage. Reimbursement under these programs for all payors is based on a combination of prospectively determined rates, discounted charges and historical costs. Amounts received under Medicare and Medicaid programs are subject to review and final determination by program intermediaries or their agents and the contracts the Hospital has with commercial payors also provide for retroactive audit and review of claims. Agreements with third party payors typically provide for payments at amounts less than established rates. Generally, patients who are covered by third party payors are responsible for related deductibles and coinsurance and anticipated payments from those who are uninsured are based on historical experience and current market conditions. The initial estimate of the transaction price is determined by reducing the standard charge by any contractual adjustments, discounts, and implicit price concessions. Differences between standard charges and estimated transaction price are generally recorded as adjustments to patient service revenue in the period of the change and are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined. Adjustments arising from a change in the transaction price were not significant for the years ended September 30, 2025 and 2024.

Consistent with the Hospital's mission, care is provided to patients regardless of their ability to pay. The Hospital has determined it has provided implicit price concessions to uninsured patients and patients with other uninsured balances (e.g. copays and deductibles). The implicit price concessions included in estimating the transaction price represent the difference between amounts billed to patients and the amounts the Hospital expects to collect based on its collection history with those patients.

Patients who meet the Hospital's criteria for charity care are provided care without charge or at amounts less than established rates. The Hospital has determined that it has provided sufficient implicit price concessions for these accounts. Price concessions, including charity care, are not reported as revenue.

(e) Charity Care

The Hospital provides care to patients who meet certain criteria under its charity care policy without charge or at amounts less than its established rates.

(f) Other Operating Revenue

Other operating revenue consists of revenue from grants, joint venture income, shared savings from surpluses on at-risk arrangements, durable medical equipment sales, cafeteria sales, purchase rebates, rental income, and net assets released from restrictions. In addition, included in other revenue is interest income on funds held in the Hospital's self-insurance trust.

(g) Cash and Cash Equivalents

Cash and cash equivalents include certain investments in highly liquid debt instruments with original maturities of three months or less. Cash equivalents exclude amounts limited as to use by board designation or by bond indenture agreements, as well as donor restricted amounts. Cash equivalents held for investment purposes that are classified as assets limited as to use are not reflected as cash equivalents in the consolidated statements. The Endowment has $4,804,330 and $3,744,890 in cash and cash equivalents at September 30, 2025 and 2024, respectively, which is not encompassed by coverage provided by the Federal Depository Insurance Corporation. The financial institutions have investment grade credit ratings and management believes the credit risk related to these deposits is minimal.

(Continued)

(h) Accounts Receivable

The Hospital has agreements with many third party payors that provide for payments to the Hospital at amounts less than their established rates. Payment arrangements include prospectively determined rates per discharge, reimbursed costs, discounted charges, and per diem payments. Management regularly reviews data about these major payor sources of revenue in evaluating the sufficiency of the contractual allowances and discounts (implicit and explicit price concessions) that are netted against patient accounts receivable in the consolidated balance sheets. The Hospital grants credit to patients, most of whom are local residents. The Hospital generally does not require collateral or other security in extending credit to patients; however, it routinely obtains assignment of (or is otherwise entitled to receive) patients' benefits payable under their health insurance programs, plans, or policies (e.g., Medicare, Medicaid, Blue Cross, managed care, or commercial insurance policies).

(i) Inventories

Inventories are stated at the lower of cost (first-in, first-out) or net realizable value.

(j) Assets Limited as to Use

Assets limited as to use include assets held in third party trusts, donor restricted and other agreements, endowment assets designated by the Board of trustees for future capital improvements and additional funding for the defined benefit pension plan over which the board retains control and may at its discretion subsequently use for other purposes, and assets held as collateral by the swap counterparty, if required.

(k) Property, Plant, and Equipment

Property, plant, and equipment acquisitions are recorded at cost. Donated items are recorded at fair market value at the date of receipt. Depreciation is provided over the estimated useful life of each class of depreciable asset and is computed by using the straight-line method. Land improvements lives range from 7 to 15 years, buildings and equipment lives range from 5 to 40 years, and moveable equipment lives range from 3 to 20 years. Equipment recorded as a finance lease is stated at the present value of the minimum lease payments and is amortized using the straight-line method over the lesser of the useful life of the equipment or the life of the lease.

Gifts of long-lived assets such as land, buildings, or equipment are reported as unrestricted support, and are included in the excess of revenues over expenses, unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as donor restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, expirations of donor restrictions are reported when the donated or acquired long-lived assets are placed in service.

The Endowment periodically reviews the carrying value of its long-lived assets to assess the recoverability of these assets; any impairments, as measured between the carrying value and estimated fair value, would be recognized in operating results if the reduction in value is considered to be other-than-temporary. There were no impairments recorded during the years ended September 30, 2025 and 2024.

(l) Asset Retirement Obligations

The fair value of a liability for legal obligations associated with asset retirements is recognized in the period in which it is incurred, if a reasonable estimate of the fair value of the obligation can be made. When the liability is initially recorded, the cost of the asset retirement obligation is capitalized by increasing the carrying amount of the related long-lived asset. Over time, the liability is accreted to its present value each period, and the capitalized cost associated with the retirement obligations is depreciated over the useful life of the related asset. Upon settlement of the obligation, any difference between the cost to settle the asset retirement obligation and the liability recorded is recognized as a gain or loss in the consolidated statements of operations.

(m) Other Assets

Other assets include anticipated insurance recoveries and the unamortized investment in South Country Radiation Therapy.

(n) Fair Value of Financial Instruments

The Endowment recognizes and discloses the fair value of financial instruments in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Subtopic 820-10 which defines fair value, establishes a framework for measuring fair value and expands disclosures about fair value measurements. Fair value represents the price that would be received upon the sale of an asset or paid upon the transfer of a liability in an orderly transaction between market participants as of the measurement date. FASB ASC Subtopic 820-10 establishes a fair value hierarchy that prioritizes inputs used to measure fair value into three levels:

Level 1 – quoted prices (unadjusted) in active markets that are accessible at the measurement date for assets or liabilities;

Level 2 – observable prices that are based on input not quoted in active markets, but corroborated by market data; and

Level 3 – unobservable inputs are used when little or no market data is available.

The fair value hierarchy gives the highest level of priority to Level 1 input and the lowest priority to Level 3 input. In determining fair value, the Endowment utilizes valuation techniques that maximize the use of observable inputs and minimizes the use of unobservable input to the extent possible. Investments in funds that are valued at net asset value (NAV) as a practical expedient or its equivalent are not included in the three levels described above.

(o) Investments and Investment Income

Investments are reported at fair value. If an investment (equity and mutual fund) held directly by the Endowment has an active market with quoted prices exists, the Endowment reports the fair value as the market price of an identical security. The Endowment also holds shares or units in alternative investment funds involving hedge strategies. Hedge strategies involve funds whose managers have the authority to invest in multiple asset classes at their discretion, including the ability to invest long and

(Continued)

short in the markets. Funds with hedge strategies generally hold securities or other financial instruments for which an active market exists and are priced accordingly.

The Endowment uses the NAV or its equivalent reported by each underlying alternative investment fund as a practical expedient to estimate fair value of the investment. These investments are generally redeemable or may be liquidated at NAV under the original terms of the subscription agreements or operations of the underlying funds. However, it is possible that these redemption rights may be restricted by the funds in the future in accordance with the underlying fund agreements, as applicable. Changes in market conditions, the economic environment, or the funds' liquidity provisions may significantly impact the NAV of the funds and, consequently, the fair value of the Endowment's interests in the funds. Although certain investments may be sold in a secondary market, the secondary market is not active and individual transactions are not necessarily observable. It is therefore possible that if the Endowment were to sell a fund in the secondary market, the sale could occur at an amount materially different than the reported value.

Investments also include assets related to funds held in trust by others. Certain of the funds are held in trust by a third party for one or more beneficiaries. Under the terms of the trust, the Endowment has the irrevocable right to receive the income earned on the trust assets in perpetuity, but never receives the assets held in trust. The investments are recorded at fair value based on the use of NAV as a practical expedient.

Investment income or loss (including realized and unrealized gains and losses on investments, and interest and dividends) is included in the excess of revenues over expenses unless the asset is restricted by donor or law or held as available for sale security, which is reported in changes in net assets. The Endowment reflects the unrealized change in equity interests in limited partnerships as other nonoperating gains (losses) included in the excess of revenues over expenses.

(p) Donor-Restricted Gifts

Unconditional promises to give cash and other assets to the Endowment are reported at fair value at the date the cash or other asset is received. Conditional promises to give and indications of intentions to give are reported at fair value at the date the gift is received or the conditional promise becomes unconditional. The gifts are reported as net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified as net assets without donor restrictions and reported in the consolidated statements of operations as net assets released from restrictions (see note 2u). Donor-restricted contributions whose restrictions are met within the same year as received are reported as unrestricted contributions in the consolidated statements of operations.

(q) Assets Held in Third Party Trusts

The Endowment is a beneficiary of various trusts. Distributions of income are made at the discretion of the Trustees, and are reflected as contributions in the consolidated statements of operations. The income from the trusts is recorded as investment income in the consolidated statements of operations. The change in value of the perpetual and charitable remainder trusts is reflected as a change in net assets with donor restrictions.

(r) Income Taxes

The not-for-profit entities (South County Healthcare System Endowment, South County Hospital, South County Home Health and the South County Health Foundation) operate as described in Section 501(c)(3) of the Internal Revenue Code (Code) and are exempt from federal income taxes on related income pursuant to Section 501(a) of the Code. Ocean View Health Venture is a limited liability corporation of which the Hospital is the sole member and generally does not provide for income taxes since the Hospital is a tax-exempt organization under Section 501(c)(3) of the Code. The tax provisions and related liabilities for Silver Spring Health Care Management, which is a taxable entity controlled by the Hospital, are not significant.

The Hospital recognizes the effect of income tax positions only if those positions are more likely than not of being sustained. Recognized income tax positions are measured at the largest amount of benefit that is greater than fifty percent likely to be realized upon settlement. Changes in recognition in measurement are reflected in the period in which the change in judgment occurs. The Hospital did not recognize the effect of any income tax positions in either 2025 or 2024.

(s) Derivatives and Hedging Agreements

The Endowment accounts for derivatives and hedging activities (e.g., an interest rate swap agreement) at fair value in the consolidated balance sheets and records all changes in a derivative’s fair value currently in earnings. The Endowment may enter into derivative transactions in order to hedge its economic exposure to certain interest and fair value risks. The Endowment does not hold or issue derivative instruments for trading or speculative purposes.

(t) Professional and General Liability

The Endowment is self-insured for losses arising from professional liability and general liability claims. The Endowment purchases excess coverage in the commercial insurance marketplace. The provision for self-insured losses includes estimates of the ultimate costs for both reported claims and claims incurred but not reported. Independent actuaries have been retained to assist the Endowment with determining both the provision for self-insured losses and amounts to be deposited in funds available for self-insurance liabilities.

(u) Classification of Net Assets

The Endowment has classified its net assets based on the presence or absence of donor-imposed restrictions as follows:

Net assets without donor restrictions contain no donor-imposed restrictions and are available for the general operations of the Endowment. Such net assets may be designated by the Endowment for specific purposes, including to function as endowment funds or may be liquidated with Board approval.

Net assets with donor restrictions contain donor-imposed stipulations as to the timing of their availability or use for a particular purpose. Net assets of donor-restricted endowment funds in excess of their historical dollar value are classified as net assets with donor restrictions until appropriated for expenditure by the Endowment. Restrictions may be required to be maintained in perpetuity.

Net assets with donor restrictions consisted of the following as of September 30:

		2025	2024
Net assets with donor restrictions:			
Subject to expenditure for specified purpose:			
Healthcare capital expenditures	$	3,027,482	5,606,347
Healthcare services		2,432,734	2,821,309
Education		663,318	1,295,383
Sub-total		6,123,534	9,723,039
Perpetual trusts, distributions available to support the following purposes:			
Healthcare capital expenditures	$	518,297	483,206
Healthcare services		10,697,201	9,827,321
Education		25,000	25,000
Sub-total		11,240,498	10,335,527
Total net assets with donor restrictions	$	17,364,032	20,058,566

(3) Net Patient Service Revenue

The following table reflects net patient service revenue from third party payors, government subsidies and other (including uninsured patients):

		2025	2024
Medicare	$	99,413,383	106,578,527
Blue Cross		68,392,924	71,709,820
Other commercial		41,797,601	39,243,169
Medicaid		18,757,076	18,812,824
Self pay		2,554,517	2,552,159
Other		1,054,488	2,260,979
Net patient service revenue	$	231,969,989	241,157,478

(4) Financial Assets and Liquidity Resources

As of September 30, 2025 and 2024, respectively, financial assets and liquidity resources available within one year for general expenditures, such as operating expenses, scheduled principal payments on debt, and capital construction costs not financed with debt, consisted of the following:

		2025	2024
Cash and cash equivalents	$	13,084,780	12,553,668
Board-designated investments		76,916,279	77,677,027
Patient accounts receivable		22,404,192	15,541,089
	$	112,405,251	105,771,784

To manage liquidity, the Endowment maintains sufficient cash and cash equivalent balances to support daily operations throughout the year. Cash and cash equivalents include bank deposits, money market funds and other similar vehicles that generate a return on cash and provide daily liquidity. The Endowment maintains an investment portfolio that is designated for different purposes by the Board. As of September 30, 2025 and 2024, the balances held in current assets were $59,457,849 and $55,756,249, respectively. These amounts can be utilized for daily liquidity and hospital operations, subject to the annual spending policy or approval by the Board. As of September 30, 2025 and 2024, the Board has also designated $17,458,430 and $21,920,778, respectively for capital expenditures and future pension funding. The Endowment also maintains a line of credit of $5,000,000.

(5) Investments

The following tables summarize the Endowment’s investments and other financial instruments by major category in the fair value hierarchy as of September 30, 2025 and 2024, as well as related strategy and liquidity:

		2025			
		Level 1	Level 3		Total
Investments at fair value:					
Cash and cash equivalents	$	4,546,568	—		4,546,568
U.S. equities and funds		29,417,335	—		29,417,335
International equities funds		10,071,875	—		10,071,875
Fixed income funds		33,531,329	—		33,531,329
Investments at fair value		77,567,107	—		77,567,107
Assets held in trusts		—	11,247,860		11,247,860
	$	77,567,107	11,247,860		88,814,967
Alternative investments measured at NAV as a practical expedient					18,915,005
Total investments				$	107,729,972

Assets held in trust at September 30, 2025 reflect the Endowment's interest in various irrevocable charitable trusts. These investments are permanently restricted equity funds valued at $11,247,860 that are illiquid. These investments are reflected within level 3 due to the fact that the Endowment does not control the underlying investments. Investments valued at NAV at September 30, 2025 include: an international equity fund valued at $10,288,722 with monthly redemption frequency and notice period of 24 days and hedge funds valued at $8,626,283 with quarterly redemption frequency and notice period of 65 days.

		2024	
	Level 1	**Level 3**	**Total**
Investments at fair value:			
Cash and cash equivalents	$ 7,268,243	—	7,268,243
U.S. equities and funds	30,324,997	—	30,324,997
International equities funds	11,619,552	—	11,619,552
Fixed income funds	36,553,762	—	36,553,762
Investments at fair value	85,766,554	—	85,766,554
Assets held in trusts	—	10,343,498	10,343,498
	$ 85,766,554	10,343,498	96,110,052
Alternative investments measured at NAV as a practical expedient			17,398,923
Total investments			$ 113,508,975

Assets held in trust at September 30, 2024 reflect the Endowment's interest in various irrevocable charitable trusts. These investments are permanently restricted equity funds valued at $10,343,498 that are illiquid. These investments are reflected within level 3 due to the fact that the Endowment does not control the underlying investments. Investments valued at NAV at September 30, 2024 include: an international equity fund valued at $9,113,386 with monthly redemption frequency and notice period of 24 days and hedge funds valued at $8,285,537 with quarterly redemption frequency and notice period of 65 days.

The above investments and other financial instruments are displayed in the consolidated balance sheets as follows at September 30:

	2025	**2024**
Board-designated investments	$ 59,457,849	55,756,249
Assets limited as to use:		
Endowment assets internally designated by Board of Trustee	17,458,430	21,920,778
Assets held in trust	23,342,690	24,436,870
Donor restricted and other funds	7,471,003	11,395,078
	$ 107,729,972	113,508,975

(6) Endowment Funds

The Endowment's endowment (the Fund) consists of approximately 45 individual funds established for a variety of purposes, including both donor-restricted endowment funds (true endowment) and funds designated by the Board of Trustees to function as endowments (quasi endowment). Net assets associated with endowment funds, including funds designated by the Board of Trustees to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

(a) Relevant Law

The Board of Trustees of the Endowment has interpreted the version of the Uniform Prudent Management of Institutional Funds Act (UPMIFA) enacted by the legislature of the State of Rhode Island (the Act) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Endowment classifies as net assets with donor restrictions to be held in perpetuity at (a) the original value of gifts donated to the endowment, (b) the original value of subsequent gifts to the endowment, and (c) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the Fund.

The remaining portion of the donor-restricted endowment fund that is not restricted by the donor to be maintained in perpetuity is classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the Endowment in a manner consistent with the standard of prudence prescribed by the Act. In accordance with the Act, the Endowment considers the duration and preservation of the Fund, the purpose of the Endowment and the donor-restricted endowment funds, general economic conditions, the possible effect of inflation and deflation, the expected total return from income and appreciation of investments, other resources of the Endowment, and the investment policies of the Endowment in making a determination to appropriate or accumulate donor-restricted endowment funds.

Net assets comprising endowment funds and funds designated by the Board of Trustees to function as endowments were as follows at September 30:

		Without donor restrictions	With donor restrictions	Total
2025:				
Donor-restricted endowment funds	$	—	11,240,498	11,240,498
Board-designated endowment funds		76,916,279	—	76,916,279
Total endowment net assets	$	76,916,279	11,240,498	88,156,777
2024:				
Donor-restricted endowment funds	$	—	10,335,527	10,335,527
Board-designated endowment funds		77,677,027	—	77,677,027
Total endowment net assets	$	77,677,027	10,335,527	88,012,554

(Continued)

The following table summarizes the changes in endowment net assets for the year ended September 30, 2025:

		Without donor restrictions	With donor restrictions	Total
Endowment net assets, September 30, 2024	$	77,677,027	10,335,527	88,012,554
Contributions		—	—	—
Investment Income		6,909,051	904,971	7,814,022
Release of endowment assets		(7,669,799)	—	(7,669,799)
Endowment net assets, September 30, 2025	$	76,916,279	11,240,498	88,156,777

The following table summarizes the changes in endowment net assets for the year ended September 30, 2024:

		Without donor restrictions	With donor restrictions	Total
Endowment net assets, September 30, 2023	$	70,257,553	10,041,700	80,299,253
Contributions		—	—	—
Investment Income		9,582,351	1,600,611	11,182,962
Release of endowment assets		(2,162,877)	(1,306,784)	(3,469,661)
Endowment net assets, September 30, 2024	$	77,677,027	10,335,527	88,012,554

(b) Spending Policy and How the Investment Objectives Relate to Spending Policy

Under the Endowment’s investment spending policy, which is within the guidelines specified under state law, a small amount of the accumulated gains would be allowed to be appropriated. In establishing this policy, the Endowment considered the expected return on its endowment and its programming needs.

It is the Endowment’s policy for the board-designated funds to distribute income in line with the purpose of the board designation. The magnitude and timing of these distribution is not entirely certain. The Board approves all outlays from the board-designated funds.

(c) Funds with Deficiencies

From time to time, the fair value of assets associated with an individual donor restricted endowment may fall below the historic dollar value. These deficiencies result principally from investment losses and continued appropriation for certain programs that was deemed prudent by the Endowment. Subsequent gains that restore the fair value of the assets of these endowment funds to the required level will be classified as increases in net assets without donor restrictions. There were no such deficiencies or gains as of September 30, 2025 and 2024.

(d) Strategies Employed for Achieving Objectives

In order to meet its needs, the investment strategy of the Fund is to emphasize total return; that is, the aggregate return from capital appreciation and dividend and interest income. The overriding objective of the Fund is to preserve purchasing power by striving for long-term returns that either match or exceed the annual spending including fees, by inflation.

The relative objective of the endowment funds is to seek competitive investment performance versus appropriate or relative capital market indices. This objective shall be measured primarily by comparing investment results, over a moving annualized five-year time period, to representative benchmarks.

The composition and purpose for the board-designated endowment funds are:

		2025	2024
Board designated for future pension contributions	$	—	1,008,862
Board designated for capital expenditures		17,458,430	20,911,916
Board designated for ongoing healthcare activities or liquidity reserves		59,457,849	55,756,249
Total board designated endowment funds	$	76,916,279	77,677,027

(7) Property, Plant, and Equipment

Property, plant, and equipment was comprised of the following at September 30:

		2025	2024
Land	$	473,121	473,121
Land improvements		2,788,084	2,788,084
Buildings and equipment		145,055,803	143,528,281
Movable equipment		94,838,023	92,040,099
Construction in progress		5,622,278	1,645,432
		248,777,309	240,475,017
Less accumulated depreciation		(185,582,207)	(175,730,279)
	$	63,195,102	64,744,738

Construction in process at September 30, 2025 reflects the renovations and equipment upgrades to the Hospital’s Cardiac Catherization and Interventional Radiology services. The project was completed in November 2025.

(8) Long-Term Debt

Long-term debt and finance lease obligations was comprised of the following at September 30:

		2025	2024
Series 2015 tax-exempt bank bonds of $45,545,000, with an annual interest rate of 4.48% as of September 30, 2025; payable through 2030	$	22,350,000	22,350,000
Series 2018 tax-exempt bank bonds of $10,100,000 with an annual interest rate of 4.85% as of September 30, 2025; payable through 2028		4,103,125	5,365,625
Construction Loan of $6,168,245. with an annual interest rate of 5.79% as of September 30, 2025; payable through 2038		5,797,003	5,957,960
Finance lease obligations		1,396,336	1,489,394
Total long-term debt and finance lease obligations		33,646,464	35,162,979
Less current installments		7,907,155	24,247,512
Less unamortized bond cost of issuance		309,260	428,215
Long-term debt and finance lease obligations, excluding current portion	$	25,430,049	10,487,252

On June 4, 2021, Ocean View entered into a construction loan for up to $11,200,000 with Webster Bank N.A. The proceeds were to be drawn down over a two-year period ending June 3, 2023. In June 2023, during the project closeout phase, after all draws were determined to be complete, the total amount drawn was only $6,168,245. As per the terms of the Construction Loan and Promissory Note dated June 4, 2021, as amended, the debt will float at the sum of 1.55% plus term SOFR (4.24% as of September 30, 2025). As per the terms of the Guaranty Agreement dated June 4, 2021, South County Hospital has guaranteed the project completion and debt repayment.

In connection with the $11,200,000 Webster Construction Loan, Ocean View entered into an Interest Rate Swap Agreement on June 4, 2021 with Webster Bank N.A. (Swap Counterparty) the maturity date of which is February 1, 2037. The purpose of the swap agreement is to convert the variable rate of the Webster Construction Loan to a fixed rate after the two-year drawdown ends on June 4, 2023. The swap agreement, as amended, provides that Ocean View will pay to the Swap Counterparty a fixed rate of 2.03% and the Swap Counterparty will pay to Ocean View a floating rate equal term SOFR. In June 2023, in connection with the project closeout phase, whereby it was determined that the full $11,200,000 of the construction loan would not be utilized, the notional amount of the Swap was reduced to $6,168,245. The notional value was $5,782,638 as of September 30, 2025 and $5,957,960 for September 30, 2024, respectively. The fair value of the swap agreement amounted to a receivable of $713,190 and $638,441 as of September 30, 2025 and 2024, respectively. The swap fair value is based predominantly on observable inputs corroborated by market data and, therefore, is classified in Level 2 in the GAAP fair value hierarchy.

On December 27, 2018, the Hospital completed a $10,100,000 borrowing with the issuance of the Rhode Island Health and Education Building Corporation Series 2018 tax exempt bank bonds (Series 2018). The proceeds were drawn down over a two-year period ending January 1, 2021. An outstanding capital lease was also refinanced as part of the borrowing. The Series 2018 bonds were issued under and are secured by the Master Trust Indenture dated December 1, 2003. As per the terms of the Loan and Security Agreements dated December 27, 2018, as amended, the bonds will float at 79% of the sum of 1.90% plus term SOFR (4.24% as of September 30, 2025) through December 27, 2030.

In connection with the Series 2018 Bonds, the Hospital entered into an Interest Rate Swap Agreement on December 27, 2018 with Citizens Bank N.A. (Swap Counterparty), which has a maturity date of December 1, 2028. The purpose of the swap agreement was to convert the floating rate for Series 2018 Bonds to a fixed rate commencing January 1, 2021. The swap agreement, as amended, provides that the Hospital will pay to the Swap Counterparty a fixed rate of 2.54% and the Swap Counterparty will pay to the Hospital a floating rate equal to 79% of one-month term SOFR. The notional value was $4,103,125 and $5,365,625 as of September 30, 2025 and 2024, respectively. The Swap Agreement became cancellable effective December 1, 2024. Payments to the Swap Counterparty are a general obligation of the Hospital. The obligation of the Hospital to make payments on the Series 2018 Bonds with respect to interest on the Series 2018 Bonds is in no way conditional upon the Hospital's receipt of payments from the Swap Counterparty. The fair value of the swap agreement amounted to a receivable of $28,436 and $55,579 as of September 30, 2025 and 2024, respectively. The swap fair value is based predominantly on observable inputs corroborated by market data and, therefore, is classified in Level 2 in the GAAP fair value hierarchy.

On August 12, 2015, the Rhode Island Health and Education Building Corporation Series 2006 A and Series 2012 A and B Bonds were refinanced in the term rate mode as tax exempt bank bonds Series 2015. The Series 2015 bank bonds have been issued under and are secured by the Bond Indentures as per the Master Trust Indenture dated December 1, 2003. As per the terms of the Loan and Security Agreement, dated August 12, 2015, as amended, the initial term is ten years with an annual interest rate of 79% of the sum of 1.90% plus term SOFR (4.96% at September 30, 2024). At the end of the initial ten-year term, the lender had the ability to require the Hospital to repay the loan, resulting in $22,350,000 being presented in the current portion of long-term debt as of September 30, 2024. On September 14, 2025, the loan agreement was amended to extend the term to September 15, 2030, waiving the original mandatory tender on September 30, 2025, and amending to a float at 73% of the sum of 1.90% plus term SOFR (4.24% at September 30, 2025) . In addition, the five-year 4% rate cap agreement with Citizens Bank terminated on August 12, 2025.

The Series 2018 and Series 2015 Bank Bonds are secured by a pledge of gross receipts of the Hospital (Obligated Group) as well as the Hospital's major patient care facilities, ancillary facilities, and parking areas located on such lots. In addition, the Series 2018 and Series 2015 Bank Bonds are secured by a pledge of and security interest in the gross receipts and revenues of the Endowment, the Guarantor.

Under the terms of the Series 2018 Bank Bond Agreement, the Series 2015 Bank Bond Agreement, and the 2018 Citizens Bank Rate Swap Agreement, the Hospital is required to satisfy certain measures of financial performance as long as the bonds are outstanding.

The aggregate annual maturities of total long-term debt for each of the five years in the years ending September 30, 2025 and thereafter are as follows:

2026	$	6,978,749
2027		4,361,191
2028		4,488,253
2029		3,413,705
2030		8,205,680
Thereafter		4,802,550
	$	32,250,128

The Endowment has a $5,000,000 credit facility with Citizens Bank N.A. There was no balance outstanding on the facility at September 30, 2025 or September 30, 2024. The interest rate on the facility is 1.55% plus term SOFR.

(9) Pension Plan

(a) Defined Benefit Plan

The Hospital has a noncontributory, defined benefit pension plan (Plan) that covers substantially all of its full-time employees hired prior to October 1, 2003. The Plan was amended during the 2010 fiscal year freezing benefit accruals for all participants effective September 30, 2010. Therefore, no additional benefits will be earned starting October 1, 2010. Participants actively accruing benefits under the Plan as of September 30, 2010 will be provided benefits under the Hospital’s 403(b) Plan based on the terms in effect for employees hired on or after October 1, 2003. Plan participants’ benefits are computed as a percentage of the higher of their final three year or five-years average earnings less a portion of their social security benefit, proportionately reduced for service less than 26 years for participants hired prior to October 1, 2003. The Hospital’s funding policy is to contribute amounts to the Plan sufficient to meet the minimum funding requirements set forth in the Employee Retirement Income Security Act of 1974, plus such additional amounts as the Hospital may determine to be appropriate from time to time. As of October 1, 2003, all new hires were only eligible for the Hospital’s defined contribution retirement plan.

The Hospital recognizes the funded status, the difference between the fair value of the plan assets and the projected benefit obligation, of its defined benefit pension plan as an asset or liability in its consolidated balance sheets and recognizes the change in that funded status in the year in which the change occurred through changes in net assets without donor restrictions. The measurement date for plan assets and projected benefit obligation is September 30.

The following tables set forth the funded status of the Hospital's pension plan and amounts recognized as accrued pension cost in the consolidated balance sheets as of September 30:

		2025	2024
Change in benefit obligation:			
Projected benefit obligation at beginning of year	$	62,878,031	57,693,439
Interest cost		3,030,561	3,384,269
Benefits paid		(4,433,408)	(4,335,270)
Actuarial (gain) loss		(1,347,857)	6,135,593
Projected benefit obligation at end of year		60,127,327	62,878,031
Change in plan assets:			
Fair value of plan assets at beginning of year		53,038,143	46,390,172
Actual return on plan assets		3,701,304	9,335,488
Employer contributions		1,699,799	1,647,753
Benefits paid		(4,433,408)	(4,335,270)
Fair value of plan assets at end of year		54,005,838	53,038,143
Funded status	$	(6,121,489)	(9,839,888)

The actuarial gain in the year ending September 30, 2025 reflects the 0.37% increase in the discount rate from the prior year. The actuarial loss in the year ending September 30, 2024 reflects the 1.10% decrease in the rate from the prior year.

The accumulated benefit obligation was $60,127,327 and $62,878,031 at September 30, 2025 and 2024, respectively, which is equal to the projected benefit obligation at the end of each respective year.

Amounts not yet reflected in net periodic pension expense and included in the change in net assets without donor restrictions as of September 30, 2025 and 2024 are as follows:

		2025	2024
Net actuarial loss	$	15,416,726	17,768,558

Net pension expense included the following components:

		2025	2024
Interest cost on the projected benefit obligation	$	3,030,561	3,384,269
Expected return on plan assets		(3,292,708)	(3,409,849)
Net loss recognition		595,379	312,580
Net pension cost		333,232	287,000
Changes in plan assets and benefit obligations recognized in accumulated changes to net assets are as follows:			
Net actuarial gain		(2,351,832)	(102,626)
		(2,351,832)	(102,626)
Total recognized in net periodic pension cost and changes to net assets	$	(2,018,600)	184,374

Assumptions used in determining pension expense and the actuarial present value of benefit obligations of the Hospital's pension plan at September 30 was as follows:

	2025	2024
Discount rate – pension expense	5.01 %	6.11 %
Discount rate – benefit obligations	5.38	5.01
Expected long-term rate of investment return	6.45	6.75

The discount rate is based on high-grade bond yield curve under which benefits were projected and discounted at spot rates along the curve. The discount rate was then determined as a single rate yielding the same present value. For the period ending September 30, 2025 and September 30, 2024, the mortality assumptions are based on PRI-2012 Mortality Tables, with projection from 2012 using the MP-2021 scale.

Information about the expected cash flows for the Plan is as follows:

Expected benefit payments:		
2026	$	4,889,354
2027		4,916,437
2028		4,922,105
2029		4,924,948
2030		4,897,891
2031–2035		23,434,700

Expected employer contributions for 2026 are $1,563,560.

(Continued)

(i) Defined Benefit Plan Investments

The investment strategy for the Plan at September 30, 2025 and 2024, and the target allocation for 2025, by asset category, are as follows:

Asset category	Target allocations 2025	Percentage of plan assets at year end 2025	Percentage of plan assets at year end 2024
Short term liquidity	— %	1.20 %	2.80 %
Fixed income	50.00	47.30	42.90
Domestic equity	27.50	28.50	26.80
International equity	15.00	15.10	17.80
Hedge funds	7.50	7.90	9.80

The investment strategy above is designed to meet ongoing obligations while minimizing contributions and controlling risks. The investment strategy is structured such that; short-term liabilities are funded by short-term assets, intermediate-term liabilities are funded by intermediate-term assets and long-term liabilities are funded by long-term assets. The objective of this strategy is to minimize the probability and impact of liabilities rising at a rate not supported by asset growth which would increase the size and necessity of contributions.

The following is a summary of the Plan's investments as of September 30, 2025 and 2024 at fair value, using the hierarchy of values described in notes 2(n) and (o):

	2025 Level 1	2025 Total
Investments at fair value:		
Cash and cash equivalents	$ 662,990	662,990
U.S. equities	15,396,654	15,396,654
International equities	3,765,746	3,765,746
Fixed income mutual funds	25,539,200	25,539,200
Investments at fair value	$ 45,364,590	45,364,590
Alternative investments measured at NAV as a practical expedient		8,641,248
Total investments		$ 54,005,838

Investments valued at NAV at September 30, 2025 include: international equity fund valued at $4,391,071 with monthly redemption frequency and notice period of 24 days and hedge funds valued at $4,250,177 with quarterly redemption frequency and notice period of 65 days.

	2024	
	Level 1	Total
Investments at fair value:		
Cash and cash equivalents	$ 1,493,205	1,493,205
U.S. equities	14,174,208	14,174,208
International equities	4,320,314	4,320,314
Fixed income mutual funds	22,767,300	22,767,300
Investments at fair value	$ 42,755,027	42,755,027
Alternative investments measured at NAV as a practical expedient		10,283,116
Total investments		$ 53,038,143

Investments valued at NAV at September 30, 2024 include: international equity fund valued at $5,098,310 with monthly redemption frequency and notice period of 24 days and hedge funds valued at $5,184,806 with quarterly redemption frequency and notice period of 65 days.

(b) Defined Contribution Plan

The Hospital offers a defined contribution retirement plan (403(b) Plan) for all new hires on or after October 1, 2003, who meet the requirements of the plan. The Hospital contributes 3.5% of gross compensation for all eligible participants annually. The Hospital made contributions of $1,879,281 and $2,475,061 for the years ended September 30, 2025 and 2024, respectively. The 403(b) Plan was amended during fiscal year 2011 entitling participants actively accruing benefits under the Hospital's defined benefit plan as of September 30, 2010 to be eligible for participation in the 403(b) Plan effective October 1, 2010.

South County Home Health (SCHH) offers a savings plan to substantially all SCHH employees. Employees may contribute up to the appropriate IRS limit of pre-taxed compensation into the Plan. In addition, the SCHH has a discretionary matching contribution up to 50% of each participant's elective deferral on the first 6% of salary deferral. Contributions to the plan were $113,127 and $151,944 for the years ended September 30, 2025 and 2024, respectively, representing a 3% employer contribution.

(10) Professional and General Liability

The Endowment professional liability insurance provides coverage on a claims made basis.

The Endowment's professional and general liability primary layer of coverage is provided by a self-insurance program and irrevocable trust, with limits of $3 million per occurrence and $6 million annual aggregate. In addition, the Endowment purchases a claims made policy covering the employed physicians with limits of $1 million per occurrence/$3 million annual aggregate. The Endowment has purchased excess coverage in the commercial marketplace with limits of $20 million per occurrence and $20 million annual aggregate. The adequacy of the coverage provided and the funding levels are reviewed annually by independent actuaries and consultants. The Endowment is a party in various legal proceedings associated with asserted claims and may be subject to additional claims which may be asserted in the future related to professional and general liability matters.

The actuarial determined liability for these matters, including known claims and those that are incurred but not reported, is included in other liabilities, amounted to $13,321,387 and $17,367,163 at September 30, 2025 and 2024, respectively. Assets held in trust for self-insurance claims amounted to $12,094,830 and $14,093,372 at September 30, 2025 and 2024, respectively. In the opinion of management and legal counsel, claims are adequately covered.

(11) Functional Expenses

The Hospital provides healthcare services to residents within their geographic location. Expenses related to providing these services for the years ended September 30, are as follows:

	2025			
	Healthcare services	General and administrative	Fundraising costs	Total operating expenses
Salaries	$ 98,615,225	8,254,865	589,721	107,459,811
Fringe benefits	22,288,301	1,881,781	110,514	24,280,596
Supplies and other expenses	81,676,820	14,028,430	207,663	95,912,913
State license fee	5,078,863	—	—	5,078,863
Depreciation and amortization	7,146,198	3,114,125	716	10,261,039
Interest expense	1,014,729	703,546	—	1,718,275
Total operating expenses	$ 215,820,136	27,982,747	908,614	244,711,497

	2024			
	Healthcare services	General and administrative	Fundraising costs	Total operating expenses
Salaries	$ 95,967,933	8,523,674	548,485	105,040,092
Fringe benefits	23,504,223	2,045,856	115,713	25,665,792
Supplies and other expenses	86,115,721	15,045,501	257,550	101,418,772
State license fee	5,026,973	—	—	5,026,973
Depreciation and amortization	7,601,363	3,275,281	716	10,877,360
Interest expense	1,258,147	650,280	—	1,908,427
Total operating expenses	$ 219,474,360	29,540,592	922,464	249,937,416

(Continued)

Certain expenses are attributable to more than one healthcare service or support function. Therefore, these expenses require an allocation on a reasonable basis that is consistently applied. Costs not directly attributed to a function, such as, depreciation and interest expense, are allocated to a function based on square footage. Fringe benefits were allocated in accordance with the ratio of salaries to fringe benefit cost. Supporting activities that are not directly identifiable with one or more healthcare program are classified as general and administrative.

(12) Pledges Receivable

Pledges receivable as of September 30, 2025 included the following:

Amounts due in:		
One year	$	513,758
Two to five years		1,113,227
Less discount and allowance for uncollectible pledges		(113,552)
		1,513,433
Less current portion		513,758
	$	999,675

Noncurrent pledges receivable have been discounted using rates ranging from 1.31% to 2.09%.

(13) Leases

The Endowment determines if a contract is a lease at inception. The Endowment has leases for equipment, medical space, and office space with initial terms up to 15 years. Certain leases include options to extend the leases. Leases with an initial term of 12 months or less are not recorded on the balance sheet and the related lease's expense is recognized on a straight-line basis over the lease term.

The right-of-use asset represents the right to use an underlying asset for the lease term and the lease liabilities represent the Endowment's obligation to make lease payments arising from the leases. Right-of-use assets and lease liabilities are recognized as of the commencement date based on the present value of the lease payments over the lease term. The lease term may include options to extend or terminate the lease when it is reasonably certain that the Endowment will exercise the application option.

The Endowment's lease payments consist both of fixed and variable lease payments. Residual value guarantees are not common within the Endowment's lease agreements nor are restrictions or covenant imposed by leases. The Endowment has elected the practical expedient to combine lease and non-lease components for real estate contracts.

While all of the agreements provide for minimum lease payments, some include payments adjusted for inflation. Variable payments that are not determinable at the lease commencement are not included in the measurement of the lease assets and liabilities.

The following summarizes the line items in the balance sheet which include amounts for leases as of September 30:

Operating leases:		2025	2024
Operating lease ROU assets	$	12,080,150	13,859,871
Operating lease liabilities			
Current operating lease liabilities		1,610,037	1,711,382
Long term operating lease liabilities		10,707,194	12,317,231
Total operating lease liabilities	$	12,317,231	14,028,613
Finance leases:			
Machinery and equipment	$	2,429,580	2,429,579
Accumulated amortization		(1,236,562)	(836,302)
Property, plant, and equipment, net	$	1,193,018	1,593,277
Current installments of obligations under finance leases (current installments of long-term debt)	$	928,406	459,690
Long term portion of obligations under finance leases (long-term debt, net of current installments)		467,930	1,029,703
Total finance lease liabilities	$	1,396,336	1,489,393

The components of lease expenses that are included the consolidated statements of operations and changes in net assets for the years ended September 30, 2025 and 2024, were as follows:

		2025	2024
Operating lease cost:			
Operating lease costs	$	2,293,989	2,574,014
Variable lease cost		1,213,783	1,099,970
Total operating lease cost		3,507,772	3,673,984
Finance lease cost:			
Amortization on ROU assets		400,259	400,259
Interest expense on liabilities		23,183	31,920
Total finance lease cost		423,442	432,179
Net lease cost	$	3,931,214	4,106,163

The following summarizes the cash flow information related to operating leases for the years ended September 30:

		2025	2024
Cash paid for amounts included in the measurement of lease liabilities:			
Operating cash flows from operating leases	$	2,225,651	2,499,254
Payments made on finance leases		93,058	784,874
Additions to lease liabilities obtained from:			
Operating leases		—	39,000

Weighted average lease term and discount rate as of September 30, 2025 and 2024 were as follows:

	2025	2024
Weighted-average remaining lease term (years):		
Operating leases	8.52	9.14
Finance leases	2.14	4.10
Weighted-average discount rate:		
Operating leases	3.93 %	3.94 %
Finance leases	1.95	1.80

The maturities of lease liabilities are shown below as of September 30, 2025:

		Operating	Finance
2026	$	2,058,774	965,747
2027		2,016,921	302,074
2028		2,025,760	79,798
2029		1,497,966	79,798
2030		1,396,764	21,228
Thereafter		5,553,643	—
Total undiscounted lease payments		14,549,828	1,448,645
Less imputed interest		(2,232,597)	(52,309)
Total lease liabilities	$	12,317,231	1,396,336

The Endowment has a sub-lease agreements for medical space under which we are the lessor. These leases meet the criteria for operating lease classification. Lease income associated with these leases is not material.

(14) Subsequent Events

For the purposes of determining the effects of subsequent events on these consolidated financial statements, management has evaluated events through January 27, 2026, which is the date on which the consolidated financial statements were available to be issued.

Schedule 1

SOUTH COUNTY HOSPITAL HEALTHCARE SYSTEM
ENDOWMENT AND AFFILIATES

Consolidating Balance Sheet

September 30, 2025

Assets	South County Hospital	South County Home Health	Ocean View Health Ventures	South County Health Foundation	Silver Spring Healthcare Management	Intercompany eliminations	South County Hospital Healthcare System and Affiliates	Endowment	Intercompany eliminations	Total
Current assets:										
Cash and cash equivalents	$ 5,499,627	2,236,040	966,645	3,428,089	943,032	—	13,073,433	11,347	—	13,084,780
Board-designated investments	58,120,711	1,337,138	—	—	—	—	59,457,849	—	—	59,457,849
Patient accounts receivable	21,894,934	499,279	—	—	9,979	—	22,404,192	—	—	22,404,192
Current portion of pledges receivable	—	—	—	513,758	—	—	513,758	—	—	513,758
Inventories	5,158,513	—	—	—	—	—	5,158,513	—	—	5,158,513
Prepaid expenses and other current assets	6,081,702	(1,700)	194,839	30,000	170,827	(531,506)	5,944,162	—	—	5,944,162
Due from affiliates, current portion	1,703,117	—	—	2,175	—	(1,703,117)	2,175	—	(2,175)	—
Total current assets	98,458,604	4,070,757	1,161,484	3,974,022	1,123,838	(2,234,623)	106,554,082	11,347	(2,175)	106,563,254
Right of use assets, net of amortizaton	21,293,238	1,616,438	6,457,253	—	—	(17,286,779)	12,080,150	—	—	12,080,150
Assets limited as to use:										
Endowment assets internally designated for capital acquisition	17,458,430	—	—	—	—	—	17,458,430	—	—	17,458,430
Assets held in trust	12,094,829	1,221,450	—	10,026,411	—	—	23,342,690	—	—	23,342,690
Donor restricted and other funds	2,853,636	302,353	—	4,315,014	—	—	7,471,003	—	—	7,471,003
Equity investments in joint ventures	1,519,625	—	—	—	—	(1,519,625)	—	—	—	—
Total assets limited as to use	33,926,520	1,523,803	—	14,341,425	—	(1,519,625)	48,272,123	—	—	48,272,123
Property, plant, and equipment, net	56,795,746	251,679	6,138,130	9,547	—	—	63,195,102	—	—	63,195,102
Due from affiliates	(553,512)	—	—	—	—	553,512	—	750,000	(750,000)	—
Pledges receivable, net of current portion	—	—	—	999,675	—	—	999,675	—	—	999,675
Fair value of swap agreements	28,436	—	713,190	—	—	—	741,626	—	—	741,626
Other assets, net of accumulated amortization	4,572,200	—	—	—	—	—	4,572,200	—	—	4,572,200
Total assets	$ 214,521,232	7,462,677	14,470,057	19,324,669	1,123,838	(20,487,515)	236,414,958	761,347	(752,175)	236,424,130
Liabilities and Net Assets										
Current liabilities:										
Current installments of long-term debt	$ 7,710,906	—	196,249	—	—	—	7,907,155	—	—	7,907,155
Accounts payable	14,308,443	215,152	105,000	—	477,783	—	15,106,378	—	—	15,106,378
Accrued expenses	16,865,439	606,860	—	4,239	175,221	—	17,651,759	(2,608)	—	17,649,151
Estimated third party payor settlements	1,379,717	192,374	—	—	—	—	1,572,091	—	—	1,572,091
Line of credit	—	—	—	—	—	—	—	—	—	—
Operating lease liabilities, current portion	2,148,253	90,724	375,015	—	—	(1,003,955)	1,610,037	—	—	1,610,037
Other current liabilities	19,685	—	—	—	—	—	19,685	—	—	19,685
Total current liabilities	42,432,443	1,105,110	676,264	4,239	653,004	(1,003,955)	43,867,105	(2,608)	—	43,864,497
Operating lease liabilities, non-current portion	19,674,271	1,566,478	6,280,775	—	—	(16,814,330)	10,707,194	—	—	10,707,194
Long-term debt, net of current installments	20,072,979	—	5,357,070	—	—	—	25,430,049	—	—	25,430,049
Due to affiliates	750,000	1,033,579	(553,512)	237,994	431,544	(1,149,605)	750,000	2,175	(752,175)	—
Accrued pension cost	6,121,489	—	—	—	—	—	6,121,489	—	—	6,121,489
Other liabilities	18,325,488	—	—	92,363	—	—	18,417,851	—	—	18,417,851
Total liabilities	107,376,670	3,705,167	11,760,597	334,596	1,084,548	(18,967,890)	105,293,688	(433)	(752,175)	104,541,080
Net assets:										
Without donor restrictions	107,099,562	2,233,707	2,709,460	3,194,844	39,290	(1,519,625)	113,757,238	761,780	—	114,519,018
With donor restrictions	45,000	1,523,803	—	15,795,229	—	—	17,364,032	—	—	17,364,032
Total net assets	107,144,562	3,757,510	2,709,460	18,990,073	39,290	(1,519,625)	131,121,270	761,780	—	131,883,050
Total liabilities and net assets	$ 214,521,232	7,462,677	14,470,057	19,324,669	1,123,838	(20,487,515)	236,414,958	761,347	(752,175)	236,424,130

See accompanying independent auditors' report.

Schedule 2

SOUTH COUNTY HOSPITAL HEALTHCARE SYSTEM
ENDOWMENT AND AFFILIATES

Consolidating Statement of Operations and Changes in Net Assets without Donor Restrictions

Year ended September 30, 2025

	South County Hospital	South County Home Health	Ocean View Health Ventures	South County Health Foundation	Silver Spring Healthcare Management	Intercompany eliminations	South County Hospital Healthcare System and Affiliates	Endowment	Total
Unrestricted revenues, gains, and other support:									
Patient service revenue	$ 222,149,423	9,820,566	—	—	—	—	231,969,989	—	231,969,989
Contributions	—	100	—	534,155	—	—	534,255	—	534,255
Other revenue	4,224,179	108,312	2,162,053	722,213	—	(2,256,540)	4,960,217	—	4,960,217
Total unrestricted revenues, gains, and other support	226,373,602	9,928,978	2,162,053	1,256,368	—	(2,256,540)	237,464,461	—	237,464,461
Expenses:									
Salaries and wages	100,111,353	6,577,909	180,828	589,721	—	—	107,459,811	—	107,459,811
Fringe benefits	22,293,307	1,876,775	—	110,514	—	—	24,280,596	—	24,280,596
Supplies and other expenses	94,627,794	1,939,267	1,384,220	207,663	6,648	(2,256,540)	95,909,052	3,861	95,912,913
State license fee	5,078,863	—	—	—	—	—	5,078,863	—	5,078,863
Depreciation and amortization	9,629,631	46,742	583,950	716	—	—	10,261,039	—	10,261,039
Interest	1,374,436	—	343,839	—	—	—	1,718,275	—	1,718,275
Total operating expenses	233,115,384	10,440,693	2,492,837	908,614	6,648	(2,256,540)	244,707,636	3,861	244,711,497
Operating income (loss)	(6,741,782)	(511,715)	(330,784)	347,754	(6,648)	—	(7,243,175)	(3,861)	(7,247,036)
Nonoperating gains (losses):									
Investment income	3,203,617	71,259	374	16,764	—	—	3,292,014	202,594	3,494,608
Change in net unrealized gains on marketable investments	1,785,863	19,458	—	—	—	—	1,805,321	(450,968)	1,354,353
Unrealized gain in equity interests in limited partnerships	2,013,138	50,328	—	—	—	—	2,063,466	452,956	2,516,422
Unrealized (loss) gain on interest rate swap	(27,225)	—	74,749	—	—	—	47,524	—	47,524
Loss on disposals of fixed assets	(500,000)	—	—	—	—	—	(500,000)	—	(500,000)
Non service cost components of net pension cost	(335,731)	—	—	—	—	—	(335,731)	—	(335,731)
(Deficiency) excess of revenues over expenses	(602,120)	(370,670)	(255,661)	364,518	(6,648)	—	(870,581)	200,721	(669,860)
Change in funded status of employee benefit plans	2,351,832	—	—	—	—	—	2,351,832	—	2,351,832
Net assets released for capital expenditures	3,524,369	—	—	—	—	—	3,524,369	—	3,524,369
Transfer endowment board-designated investments	32,804,867	—	—	—	—	—	32,804,867	(32,804,867)	—
Change in net assets without donor restrictions	$ 38,078,948	(370,670)	(255,661)	364,518	(6,648)	—	37,810,487	(32,604,146)	5,206,341

See accompanying independent auditors' report.

SOUTH COUNTY HOSPITAL HEALTHCARE SYSTEM
ENDOWMENT AND AFFILIATES

Consolidating Statement of Changes in Net Assets

Year ended September 30, 2025

	South County Hospital	South County Home Health	Ocean View Health Ventures	South County Health Foundation	Silver Spring Healthcare Management	Intercompany eliminations	South County Hospital Healthcare System and Affiliates	Endowment	Total
Net assets without donor restrictions:									
(Deficiency) excess of revenues over expenses	$ (602,120)	(370,670)	(255,661)	364,518	(6,648)	—	(870,581)	200,721	(669,860)
Change in funded status of employee benefit plans	2,351,832	—	—	—	—	—	2,351,832	—	2,351,832
Net assets released for capital expenditures	3,524,369	—	—	—	—	—	3,524,369	—	3,524,369
Transfer endowment board-designated investments	32,804,867	—	—	—	—	—	32,804,867	(32,804,867)	—
Change in net assets without donor restrictions	38,078,948	(370,670)	(255,661)	364,518	(6,648)	—	37,810,487	(32,604,146)	5,206,341
Net assets with donor restrictions:									
Contributions	—	—	—	595,362	—	—	595,362	—	595,362
Change in net realized and unrealized gains in investments	—	5,038	—	26,442	—	—	31,480	—	31,480
Change in value of perpetual and charitable remainder trusts	—	146,984	—	757,987	—	—	904,971	—	904,971
Net assets released from restrictions	—	—	—	(4,226,347)	—	—	(4,226,347)	—	(4,226,347)
Change in net assets with donor restrictions	—	152,022	—	(2,846,556)	—	—	(2,694,534)	—	(2,694,534)
Change in net assets	38,078,948	(218,648)	(255,661)	(2,482,038)	(6,648)	—	35,115,953	(32,604,146)	2,511,807
Net assets, beginning of year	69,065,614	3,976,158	2,965,121	21,472,111	45,938	(1,519,625)	96,005,317	33,365,926	129,371,243
Net assets, end of year	$ 107,144,562	3,757,510	2,709,460	18,990,073	39,290	(1,519,625)	131,121,270	761,780	131,883,050

See accompanying independent auditors' report.

Schedule 4

SOUTH COUNTY HOSPITAL HEALTHCARE SYSTEM
ENDOWMENT AND AFFILIATES

Consolidating Balance Sheet

September 30, 2024

Assets	South County Hospital	South County Home Health	Ocean View Health Ventures	South County Health Foundation	Silver Spring Healthcare Management	Intercompany eliminations	South County Hospital Healthcare System and Affiliates	Endowment	Intercompany eliminations	Total
Current assets:										
Cash and cash equivalents	$ 5,842,206	1,971,309	856,507	2,746,140	302,326	—	11,718,488	835,180	—	12,553,668
Board-designated investments	35,101,989	1,197,040		—	—	—	36,299,029	19,457,220	—	55,756,249
Patient accounts receivable	15,028,989	502,120		—	9,980	—	15,541,089		—	15,541,089
Current portion of pledges receivable	—			1,486,627	—	—	1,486,627		—	1,486,627
Inventories	5,152,510			—	—	—	5,152,510		—	5,152,510
Prepaid expenses and other current assets	8,830,143		148,055	—	170,827	(354,338)	8,794,687		—	8,794,687
Due from affiliates, current portion	441,440			70,027	—	(436,259)	75,208	—	(75,208)	—
Total current assets	70,397,277	3,670,469	1,004,562	4,302,794	483,133	(790,597)	79,067,638	20,292,400	(75,208)	99,284,830
Assets limited as to use:										
Endowment assets internally designated for capital acquisition	8,774,647			—	—	—	8,774,647	13,146,131	—	21,920,778
Assets held in trust	14,093,372	1,074,466		9,269,032	—	—	24,436,870	—	—	24,436,870
Donor restricted and other funds	4,031,881	297,315		7,065,882	—	—	11,395,078	—	—	11,395,078
Equity investments in joint ventures	1,519,625			—	—	(1,519,625)	—	—	—	—
Total assets limited as to use	28,419,525	1,371,781	—	16,334,914	—	(1,519,625)	44,606,595	13,146,131	—	57,752,726
Right of use assets, net	23,685,769	1,719,178	6,883,910	—	—	(18,428,986)	13,859,871	—	—	13,859,871
Property, plant, and equipment, net	57,802,147	210,246	6,722,081	10,264	—	—	64,744,738			64,744,738
Due from affiliates	—		424,706	—	—	(424,706)	—	3,861	(3,861)	—
Pledges receivable, net of current portion	—			922,082	—	—	922,082	—	—	922,082
Fair value of swap agreements	55,658		638,441	—	—	—	694,099	—	—	694,099
Other assets, net of accumulated amortization	5,217,704			—	—	—	5,217,704	—	—	5,217,704
Total assets	$ 185,578,080	6,971,674	15,673,700	21,570,054	483,133	(21,163,914)	209,112,727	33,442,392	(79,069)	242,476,050
Liabilities and Net Assets										
Current liabilities:										
Current installments of long-term debt	$ 24,072,190		175,322	—	—	—	24,247,512	—	—	24,247,512
Accounts payable	12,756,434	74,010	31,527	—	6,423	(36,277)	12,832,117	—	(2,603)	12,829,514
Accrued expenses	13,698,992	784,248	—	3,981	175,222	—	14,662,443	—	—	14,662,443
Estimated third party payor settlements	3,882,065	187,968	—	—	—	—	4,070,033	—	—	4,070,033
Operating lease liabilities, current portion	2,228,644	87,298	360,478	—	—	(965,038)	1,711,382			1,711,382
Other current liabilities	19,685	61,348	—	—	—	—	81,033	—	—	81,033
Total current liabilities	56,658,010	1,194,872	567,327	3,981	181,645	(1,001,315)	57,604,520	—	(2,603)	57,601,917
Operating lease liabilities, non-current portion	21,822,524	1,657,202	6,655,790	—	—	(17,818,285)	12,317,231			12,317,231
Long-term debt, net of current installments	5,001,790	—	5,485,462	—	—	—	10,487,252	—	—	10,487,252
Due to affiliates	424,706	143,442	—	991	255,550	(824,689)	—	76,466	(76,466)	—
Accrued pension cost	9,839,888	—	—	—	—	—	9,839,888	—	—	9,839,888
Other liabilities	22,765,548	—	—	92,971	—	—	22,858,519	—	—	22,858,519
Total liabilities	116,512,466	2,995,516	12,708,579	97,943	437,195	(19,644,289)	113,107,410	76,466	(79,069)	113,104,807
Net assets:										
Without donor restrictions	69,020,614	2,604,377	2,965,121	2,830,326	45,938	(1,519,625)	75,946,751	33,365,926	—	109,312,677
With donor restrictions	45,000	1,371,781	—	18,641,785	—	—	20,058,566	—	—	20,058,566
Total net assets	69,065,614	3,976,158	2,965,121	21,472,111	45,938	(1,519,625)	96,005,317	33,365,926	—	129,371,243
Total liabilities and net assets	$ 185,578,080	6,971,674	15,673,700	21,570,054	483,133	(21,163,914)	209,112,727	33,442,392	(79,069)	242,476,050

See accompanying independent auditors’ report.

Schedule 5

SOUTH COUNTY HOSPITAL HEALTHCARE SYSTEM
ENDOWMENT AND AFFILIATES

Consolidating Statement of Operations and Changes in Net Assets without Donor Restrictions

Year ended September 30, 2024

	South County Hospital	South County Home Health	Ocean View Health Ventures	South County Health Foundation	Silver Spring Healthcare Management	Intercompany eliminations	South County Hospital Healthcare System and Affiliates	Endowment	Total
Unrestricted revenues, gains, and other support:									
Patient service revenue	$ 230,518,149	10,639,329	—	—	—	—	241,157,478	—	241,157,478
Contributions	—		—	522,133	—	—	522,133	—	522,133
Other revenue	4,833,055	139,280	2,162,053	736,367	—	(2,256,540)	5,614,215	—	5,614,215
Total unrestricted revenues, gains, and other support	235,351,204	10,778,609	2,162,053	1,258,500	—	(2,256,540)	247,293,826	—	247,293,826
Expenses:									
Salaries and wages	96,612,866	7,700,446	178,295	548,485	—	—	105,040,092	—	105,040,092
Fringe benefits	23,670,018	1,877,529	2,532	115,713	—	—	25,665,792	—	25,665,792
Supplies and other expenses	100,089,491	2,036,506	1,290,835	257,550	930	(2,256,540)	101,418,772	—	101,418,772
State license fee	5,026,973	—	—	—	—	—	5,026,973	—	5,026,973
Depreciation and amortization	10,230,236	62,458	583,950	716	—	—	10,877,360	—	10,877,360
Interest	1,704,039	—	204,388	—	—	—	1,908,427	—	1,908,427
Total operating expenses	237,333,623	11,676,939	2,260,000	922,464	930	(2,256,540)	249,937,416	—	249,937,416
Operating income (loss)	(1,982,419)	(898,330)	(97,947)	336,036	(930)	—	(2,643,590)	—	(2,643,590)
Nonoperating gains (losses):									
Investment income	1,368,036	34,994	146	15,661	—	—	1,418,837	905,405	2,324,242
Change in net unrealized gains on marketable investments	6,957,972	136,280	—	—	—	—	7,094,252	4,646,443	11,740,695
Unrealized loss in equity interests in limited partnerships	755,579	20,139	—	—	—	—	775,718	256,709	1,032,427
Unrealized gain on interest rate swap	(185,446)	—	(482,359)	—	—	—	(667,805)	—	(667,805)
Gain (loss) on disposals of fixed assets	177,925	—	—	—	—	—	177,925	—	177,925
Non service cost components of net pension cost	(289,004)	—	—	—	—	—	(289,004)	—	(289,004)
(Deficiency) excess of revenues over expenses	6,802,643	(706,917)	(580,160)	351,697	(930)	—	5,866,333	5,808,557	11,674,890
Change in funded status of employee benefit plans	102,626	—	—	—	—	—	102,626	—	102,626
Net assets released for capital expenditures	722,079	—	—	—	—	—	722,079	—	722,079
Change in net assets without donor restrictions	$ 7,627,348	(706,917)	(580,160)	351,697	(930)	—	6,691,038	5,808,557	12,499,595

See accompanying independent auditors' report.

SOUTH COUNTY HOSPITAL HEALTHCARE SYSTEM
ENDOWMENT AND AFFILIATES

Consolidating Statement of Changes in Net Assets

Year ended September 30, 2024

	South County Hospital	South County Home Health	Ocean View Health Ventures	South County Health Foundation	Silver Spring Healthcare Management	Intercompany eliminations	South County Hospital Healthcare System and Affiliates	Endowment	Total
Net assets without donor restrictions:									
(Deficiency) excess of revenues over expenses	$ 6,802,643	(706,917)	(580,160)	351,697	(930)	—	5,866,333	5,808,557	11,674,890
Change in funded status of employee benefit plans	102,626	—	—	—	—	—	102,626	—	102,626
Net assets released for capital expenditures	722,079	—	—	—	—	—	722,079	—	722,079
Equity investment by Hospital	—	—	—	—	—	—	—	—	—
Change in net assets without donor restrictions	7,627,348	(706,917)	(580,160)	351,697	(930)	—	6,691,038	5,808,557	12,499,595
Net assets with donor restrictions:									
Contributions	—	—	—	3,055,462	—	—	3,055,462	—	3,055,462
Change in net realized and unrealized gains (losses) in	—	59,610	—	40,769	—	—	100,379	—	100,379
investments	—	132,249	—	1,468,362	—	—	1,600,611	—	1,600,611
Change in value of perpetual and charitable remainder trusts	—	—	—	—	—	—	—	—	—
Net assets released from restrictions	—	—	—	(1,129,278)	—	—	(1,129,278)	—	(1,129,278)
Transfer from Endowment to South County Health Foundation	—	—	—	—	—	—	—	—	—
Change in net assets with donor restrictions	—	191,859	—	3,435,315	—	—	3,627,174	—	3,627,174
Change in net assets	7,627,348	(515,058)	(580,160)	3,787,012	(930)	—	10,318,212	5,808,557	16,126,769
Net assets, beginning of year	61,438,266	4,491,216	3,545,281	17,685,099	46,868	(1,519,625)	85,687,105	27,557,369	113,244,474
Net assets, end of year	$ 69,065,614	3,976,158	2,965,121	21,472,111	45,938	(1,519,625)	96,005,317	33,365,926	129,371,243

See accompanying independent auditors’ report.

Schedule 7

SOUTH COUNTY HOSPITAL HEALTHCARE SYSTEM
ENDOWMENT AND AFFILIATES

Consolidating Balance Sheet – Obligated Group and Guarantor

September 30, 2025

Assets	South County Hospital (Obligated Group)	Endowment (Guarantor)	Total
Current assets:			
Cash and cash equivalents	$ 5,499,627	11,347	5,510,974
Board-designated investments	58,120,711	—	58,120,711
Patient accounts receivable	21,894,934	—	21,894,934
Inventories	5,158,513	—	5,158,513
Prepaid expenses and other current assets	6,081,702	—	6,081,702
Due from affiliates, current portion	1,703,117	—	1,703,117
Total current assets	98,458,604	11,347	98,469,951
Assets limited as to use:			
Endowment assets internally designated for capital acquisition	17,458,430	—	17,458,430
Assets held in trust	12,094,829	—	12,094,829
Donor restricted and other funds	2,853,636	—	2,853,636
Equity investments in joint ventures	1,519,625	—	1,519,625
Total	33,926,520	—	33,926,520
Right of use assets, net of amortization	21,293,238	—	21,293,238
Property, plant, and equipment, net	56,795,746	—	56,795,746
Due from affiliates	(553,512)	750,000	196,488
Fair value of swap agreements	28,436	—	28,436
Other assets, net of accumulated amortization	4,572,200	—	4,572,200
Total assets	$ 214,521,232	761,347	215,282,579
Liabilities and Net Assets			
Current liabilities:			
Current installments of long-term debt	$ 7,710,906	—	7,710,906
Accounts payable	14,308,443	—	14,308,443
Accrued expenses	16,865,439	(2,608)	16,862,831
Estimated third party payor settlements	1,379,717	—	1,379,717
Line of credit	—	—	—
Operating lease liabilities, current portion	2,148,253		2,148,253
Other current liabilities	19,685	—	19,685
Total current liabilities	42,432,443	(2,608)	42,429,835
Operating lease liabilities, non-current portion	19,674,271	—	19,674,271
Long-term debt, net of current installments	20,072,979	—	20,072,979
Due to affiliates	750,000	2,175	752,175
Accrued pension cost	6,121,489	—	6,121,489
Other liabilities	18,325,488	—	18,325,488
Total liabilities	107,376,670	(433)	107,376,237
Net assets:			
Without donor restrictions	107,099,562	761,780	107,861,342
With donor restrictions	45,000	—	45,000
Total net assets	107,144,562	761,780	107,906,342
Total liabilities and net assets	$ 214,521,232	761,347	215,282,579

See accompanying independent auditors’ report.

Schedule 8

SOUTH COUNTY HOSPITAL HEALTHCARE SYSTEM
ENDOWMENT AND AFFILIATES

Consolidating Statement of Operations and Changes in Net Assets without Donor Restrictions
for the Obligated Group and Guarantor

Year ended September 30, 2025

	South County Hospital (Obligated Group)	Endowment (Guarantor)	Total
Unrestricted revenues, gains, and other support:			
Patient service revenue	$ 222,149,423	—	222,149,423
Other revenue	4,224,179	—	4,224,179
Total unrestricted revenues, gains, and other support	226,373,602	—	226,373,602
Expenses:			
Salaries and wages	100,111,353	—	100,111,353
Fringe benefit	22,293,307	—	22,293,307
Supplies and other expenses	94,627,794	3,861	94,631,655
State license fee	5,078,863	—	5,078,863
Depreciation	9,629,631	—	9,629,631
Interest	1,374,436	—	1,374,436
Total operating expenses	233,115,384	3,861	233,119,245
Operating loss	(6,741,782)	(3,861)	(6,745,643)
Nonoperating gains (losses):			
Investment income	3,203,617	202,594	3,406,211
Change in net unrealized gain on marketable investments	1,785,863	(450,968)	1,334,895
Unrealized change in equity interests in limited partnerships	2,013,138	452,956	2,466,094
Unrealized loss on interest rate swap	(27,225)	—	(27,225)
Loss on disposals of fixed assets	(500,000)	—	(500,000)
Non service cost components of net pension cost	(335,731)	—	(335,731)
(Deficiency) excess of revenues over expenses	(602,120)	200,721	(401,399)
Change in funded status of employee benefit plans	2,351,832	—	2,351,832
Net assets released for capital expenditures	3,524,369	—	3,524,369
Transfer endowment board-designated investments	32,804,867	(32,804,867)	—
Change in net assets without donor restrictions	$ 38,078,948	(32,604,146)	5,474,802

See accompanying independent auditors' report.

Schedule 9

SOUTH COUNTY HOSPITAL HEALTHCARE SYSTEM
ENDOWMENT AND AFFILIATES

Consolidating Statement of Changes in Net Assets – Obligated Group and Guarantor

Year ended September 30, 2025

	South County Hospital (Obligated Group)	Endowment (Guarantor)	Total
Net assets without donor restrictions:			
(Deficiency) excess of revenues over expenses	$ (602,120)	200,721	(401,399)
Change in funded status of employee benefit plans	2,351,832	—	2,351,832
Net assets released for capital expenditures	3,524,369	—	3,524,369
Transfer endowment board-designated investments	32,804,867	(32,804,867)	—
Change in net assets without donor restrictions	38,078,948	(32,604,146)	5,474,802
Net assets with donor restrictions:			
Contributions	—	—	—
Change in net realized and unrealized gain (losses) in investments	—	—	—
Change in value of perpetual and charitable remainder trusts	—	—	—
Net assets released from restrictions	—	—	—
Transfer from Endowment to South County Health Foundation	—	—	—
Change in net assets with donor restrictions	—	—	—
Change in net assets	38,078,948	(32,604,146)	5,474,802
Net assets, beginning of year	69,065,614	33,365,926	102,431,540
Net assets, end of year	$ 107,144,562	761,780	107,906,342

See accompanying independent auditors' report.

Schedule 10

SOUTH COUNTY HOSPITAL HEALTHCARE SYSTEM
ENDOWMENT AND AFFILIATES

Consolidating Balance Sheet – Obligated Group and Guarantor

September 30, 2024

Assets		South County Hospital (Obligated Group)	Endowment (Guarantor)	Total
Current assets:				
Cash and cash equivalents	$	5,842,206	835,180	6,677,386
Board-designated investments		35,101,989	19,457,220	54,559,209
Patient accounts receivable		15,028,989	—	15,028,989
Inventories		5,152,510	—	5,152,510
Prepaid expenses and other current assets		8,830,143	—	8,830,143
Due from affiliates, current portion		441,440	—	441,440
Total current assets		70,397,277	20,292,400	90,689,677
Assets limited as to use:				
Endowment assets internally designated for capital acquisition		8,774,647	13,146,131	21,920,778
Assets held in trust		14,093,372	—	14,093,372
Donor restricted and other funds		4,031,881	—	4,031,881
Equity investments in joint ventures		1,519,625	—	1,519,625
Total		28,419,525	13,146,131	41,565,656
Right of use assets, net of amortization		23,685,769	—	23,685,769
Property, plant, and equipment, net		57,802,147	—	57,802,147
Due from affiliates		—	3,861	3,861
Fair value of swap agreements		55,658	—	55,658
Other assets, net of accumulated amortization		5,217,704	—	5,217,704
Total assets	$	185,578,080	33,442,392	219,020,472
Liabilities and Net Assets				
Current liabilities:				
Current installments of long-term debt	$	24,072,190	—	24,072,190
Accounts payable		12,756,434	—	12,756,434
Accrued expenses		13,698,992	—	13,698,992
Estimated third party payor settlements		3,882,065	—	3,882,065
Operating lease liabilities, current portion		2,228,644		2,228,644
Other current liabilities		19,685	—	19,685
Total current liabilities		56,658,010	—	56,658,010
Operating lease liabilities, non-current portion		21,822,524	—	21,822,524
Long-term debt, net of current installments		5,001,790	—	5,001,790
Due to affiliates		424,706	76,466	501,172
Accrued pension cost		9,839,888	—	9,839,888
Other liabilities		22,765,548	—	22,765,548
Total liabilities		116,512,466	76,466	116,588,932
Net assets:				
Without donor restrictions		69,020,614	33,365,926	102,386,540
With donor restrictions		45,000	—	45,000
Total net assets		69,065,614	33,365,926	102,431,540
Total liabilities and net assets	$	185,578,080	33,442,392	219,020,472

See accompanying independent auditors’ report.

Schedule 11

SOUTH COUNTY HOSPITAL HEALTHCARE SYSTEM
ENDOWMENT AND AFFILIATES

Consolidating Statement of Operations and Changes in Net Assets without Donor Restrictions
for the Obligated Group and Guarantor

Year ended September 30, 2024

	South County Hospital (Obligated Group)	Endowment (Guarantor)	Total
Unrestricted revenues, gains, and other support:			
Patient service revenue	$ 230,518,149	—	230,518,149
Other revenue	4,833,055	—	4,833,055
Total unrestricted revenues, gains, and other support	235,351,204	—	235,351,204
Expenses:			
Salaries and wages	96,612,866	—	96,612,866
Fringe benefit	23,670,018	—	23,670,018
Supplies and other expenses	100,089,491	—	100,089,491
State license fee	5,026,973	—	5,026,973
Depreciation	10,230,236		10,230,236
Interest	1,704,039	—	1,704,039
Total operating expenses	237,333,623	—	237,333,623
Operating loss	(1,982,419)	—	(1,982,419)
Nonoperating gains (losses):			
Investment income	1,368,036	905,405	2,273,441
Change in net unrealized gain on marketable investments	6,957,972	4,646,443	11,604,415
Unrealized change in equity interests in limited partnerships	755,579	256,709	1,012,288
Unrealized gain on interest rate swap	(185,446)	—	(185,446)
Gain on disposals of fixed assets	177,925	—	177,925
Non service cost components of net pension cost	(289,004)	—	(289,004)
(Deficiency) excess of revenues over expenses	6,802,643	5,808,557	12,611,200
Change in funded status of employee benefit plans	102,626	—	102,626
Net assets released for capital expenditures	722,079		722,079
Change in net assets without donor restrictions	$ 7,627,348	5,808,557	13,435,905

See accompanying independent auditors’ report.

Schedule 12

SOUTH COUNTY HOSPITAL HEALTHCARE SYSTEM
ENDOWMENT AND AFFILIATES

Consolidating Statement of Changes in Net Assets – Obligated Group and Guarantor

Year ended September 30, 2024

		South County Hospital (Obligated Group)	Endowment (Guarantor)	Total
Net assets without donor restrictions:				
Excess of revenues over expenses	$	6,802,643	5,808,557	12,611,200
Change in funded status of employee benefit plans		102,626	—	102,626
Net assets released for capital expenditures		722,079	—	722,079
Change in net assets without donor restrictions		7,627,348	5,808,557	13,435,905
Net assets with donor restrictions:				
Contributions		—	—	—
Change in net realized and unrealized gain (losses) in investments		—	—	—
Change in value of perpetual and charitable remainder trusts		—	—	—
Net assets released from restrictions		—	—	—
Transfer from Endowment to South County Health Foundation		—		—
Change in net assets with donor restrictions		—	—	—
Change in net assets		7,627,348	5,808,557	13,435,905
Net assets, beginning of year		61,438,266	27,557,369	88,995,635
Net assets, end of year	$	69,065,614	33,365,926	102,431,540

See accompanying independent auditors’ report.

RHODE ISLAND HEALTH AND EDUCATIONAL BUILDING CORPORATION
REVENUE BONDS (MADRONE – SOUTH COUNTY HOSPITAL EAAS 1) SERIES 2026A AND TAXABLE SERIES 2026B

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