PRELIMINARY OFFICIAL STATEMENT DATED JULY 23, 2026

NEW ISSUE - BOOK ENTRY ONLY **NON-RATED**

In the opinion of Foley & Judell, L.L.P., Bond Counsel, under existing law, interest on the Notes is excludable from gross income for federal income tax purposes and is not a specific item of tax preference for purposes of the federal alternative minimum tax; however, interest on the Notes will be taken into account in computing the alternative minimum tax imposed on certain corporations. Further, pursuant to the Act, the Notes and the interest or other income thereon or with respect thereto shall be exempt from all income tax or other taxation in the State of Louisiana. See "TAX EXEMPTION" herein and APPENDIX F attached hereto.

$53,600,000*
HOSPITAL SERVICE DISTRICT NO. 1A
OF THE PARISH OF RICHLAND, STATE OF LOUISIANA
BOND ANTICIPATION NOTES,
SERIES 2026

CUSIP #_____**
Interest Rate _____%
Price _____%

Dated: Date of Delivery **Due: August 1, 2029**

The referenced Bond Anticipation Notes (the "Notes") of Hospital Service District No. 1A of the Parish of Richland, State of Louisiana (the "District") are issuable only as fully registered notes without coupons, and when issued will be registered in the name of Cede & Co., as Noteholder and nominee for The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Notes. Purchases of the Notes will be made in book entry form, in the denominations of $5,000 or any multiple thereof. Purchasers of the Notes will not receive certificates representing their interest in the Notes purchased. See "THE NOTES -- Book-Entry Only System" herein. Principal of and interest on the Notes will be payable by Argent Institutional Trust Company, or any successor trustee (the "Trustee"), to DTC, which will remit such payments in accordance with its normal procedures, as described herein. Interest on the Notes is payable on February 1, 2027, and semiannually thereafter on February 1 and August 1 of each year.

The District owns and operates the Richland Parish Hospital, located at 407 Cincinnati Street, Delhi, Louisiana, and other medical facilities of the District (as further described herein, the "Hospital"). The Notes are being issued for the purpose of (i) providing interim financing to assist in constructing improvements, expansions and renovations to the Hospital, including, but not limited to, equipment, fixtures, accessories and furnishings therefor, (ii) paying capitalized interest on the Notes, and (iii) paying the costs of issuance of the Notes. The Notes are limited and special obligation of the District and are secured by and payable from the proceeds of the District's Hospital Revenues Bonds to be issued to represent a direct loan from the United States Department of Agriculture, Rural Development (the "USDA Direct Loan Bonds") and the Net Revenues, each as further described herein. The Notes are being issued on a parity as to Net Revenues with the District's Hospital Revenue Bonds, Series 2026 (the "Bank Loan Bonds").

The Notes are subject to redemption prior to maturity as described herein. See "THE NOTES — Redemption" herein.

THE NOTES WILL NOT CONSTITUTE A GENERAL OBLIGATION OF THE DISTRICT, AND NEITHER THE FULL FAITH AND CREDIT NOR THE TAXING POWER OF THE DISTRICT IS PLEDGED TO THE PAYMENT OF THE NOTES. THE ISSUANCE OF THE NOTES SHALL NOT DIRECTLY OR INDIRECTLY OR CONTINGENTLY OBLIGATE THE DISTRICT TO LEVY OR PLEDGE ANY ADDITIONAL AD VALOREM TAXES WHATSOEVER THEREFORE, AND THE OWNERS OF THE NOTES SHALL HAVE NO RECOURSE TO THE POWER OF ADDITIONAL AD VALOREM TAXATION FOR PAYMENT OR PRINCIPAL OF AND/OR INTEREST ON THE NOTES. NEITHER THE STATE NOR ANY POLITICAL SUBDIVISION THEREOF OTHER THAN THE DISTRICT SHALL BE OBLIGATED TO PAY THE PRINCIPAL OF AND INTEREST ON THE NOTES. THE NOTES INVOLVE RISK, INCLUDING, AMONG OTHERS, THOSE DESCRIBED UNDER THE HEADING "NOTEHOLDERS' RISKS" HEREIN. NO PROSPECTIVE PURCHASER OF THE NOTES SHOULD MAKE A DECISION TO PURCHASE ANY NOTES WITHOUT FIRST READING AND CONSIDERING THE ENTIRE OFFICIAL STATEMENT, INCLUDING WITHOUT LIMITATION THE SECTION ENTITLED "NOTEHOLDERS' RISKS" HEREIN.

The Notes are offered when, as and if delivered, subject to the approving opinion of Foley & Judell, L.L.P., New Orleans, Louisiana, Bond Counsel. Trinity Capital Resources, LLC, Baton Rouge, Louisiana, serves as Municipal Advisor to the District in connection with the sale and issuance of the Notes. Certain legal matters will be passed upon for the Underwriter by its counsel, Maynard Nexsen PC, Birmingham, Alabama. It is expected that the Notes will be delivered in New Orleans, Louisiana, and will be available for delivery to DTC in New York, New York, on or about _____, 2026, against payment therefor.

STIFEL

The date of this Official Statement is _____ __, 2026. This cover page contains information for quick reference only. It is not a summary of this issue. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.

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* Preliminary; subject to change.

** CUSIP is a registered trademark of the American Bankers Association ("ABA"). CUSIP Global Services ("CGS") is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. ("FactSet"). The ABA, CGS, and FactSet are not affiliated with the District or the Underwriter, and neither the District nor the Underwriter are responsible for the selection or use of the CUSIP numbers. The CUSIP numbers are included solely for the convenience of bondholders, and no representation is made as to the correctness of such CUSIP numbers. CUSIP numbers assigned to securities may be changed during the term of such securities based on a number of factors including, but not limited to, the refunding or defeasance of such issue or the use of secondary market financial products. Neither the District nor the Underwriter has agreed to, and there is no duty or obligation to, update this Official Statement to reflect any change or correction in the CUSIP numbers set forth above.

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REGARDING USE OF THIS OFFICIAL STATEMENT

NO DEALER, BROKER, SALESPERSON OR OTHER PERSON HAS BEEN AUTHORIZED BY HOSPITAL SERVICE DISTRICT NO. 1A OF THE PARISH OF RICHLAND, STATE OF LOUISIANA (THE "DISTRICT"), OR STIFEL, NICOLAUS & COMPANY, INCORPORATED (THE "UNDERWRITER") TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS WITH RESPECT TO THE OBLIGATIONS HEREIN DESCRIBED OTHER THAN THOSE CONTAINED IN THIS OFFICIAL STATEMENT, AND IF GIVEN OR MADE, SUCH OTHER INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE DISTRICT. THE INFORMATION SET FORTH HEREIN HAS BEEN OBTAINED FROM SOURCES WHICH ARE BELIEVED TO BE RELIABLE BUT IS NOT GUARANTEED AS TO ACCURACY OR COMPLETENESS. THE INFORMATION AND EXPRESSIONS OF OPINION HEREIN ARE SUBJECT TO CHANGE WITHOUT NOTICE, AND NEITHER THE DELIVERY OF THIS 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 DISTRICT SINCE THE DATE HEREOF.

THE UNDERWRITER HAS REVIEWED THE INFORMATION IN THIS OFFICIAL STATEMENT IN ACCORDANCE WITH, AND AS PART OF, ITS RESPONSIBILITY 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.

AN INVESTOR, BY ITS PURCHASE OF NOTES, ACKNOWLEDGES ITS CONSENT FOR THE UNDERWRITER TO RELY UPON THE INVESTOR'S UNDERSTANDING OF AND AGREEMENT TO THE PRECEDING PARAGRAPH(S) AS SUCH RELATES TO THE DISCLOSURE AND FAIR DEALING OBLIGATIONS THAT MAY BE APPLICABLE TO THE UNDERWRITER UNDER APPLICABLE SECURITIES LAWS AND REGULATIONS.

BY ITS PURCHASE OF THE NOTES, AN INVESTOR IS ACKNOWLEDGING THAT IT HAS REVIEWED ALL THE INFORMATION IT DEEMS NECESSARY TO MAKE AN INFORMED DECISION, AND THAT IT IS NOT RELYING ON ANY REPRESENTATION OF THE UNDERWRITER OR ANY OF ITS OFFICERS, REPRESENTATIVES, AGENTS OR DIRECTORS IN REACHING ITS DECISION TO PURCHASE NOTES.

THIS OFFICIAL STATEMENT IS BEING PROVIDED TO PROSPECTIVE PURCHASERS EITHER IN BOUND PRINTED FORM ("ORIGINAL BOUND FORMAT") OR IN ELECTRONIC FORMAT ON THE FOLLOWING WEBSITE: https://www.munios.com/. THIS OFFICIAL STATEMENT MAY BE RELIED UPON ONLY IF IT IS IN ITS ORIGINAL BOUND FORMAT OR AS PRINTED IN ITS ENTIRETY DIRECTLY FROM SUCH WEBSITE.

THE ORDER AND PLACEMENT OF MATERIALS IN THIS OFFICIAL STATEMENT, INCLUDING THE APPENDICES, ARE NOT TO BE DEEMED A DETERMINATION OF RELEVANCE, MATERIALITY OR IMPORTANCE, AND THIS OFFICIAL STATEMENT, INCLUDING THE APPENDICES, MUST BE CONSIDERED IN ITS ENTIRETY. THE CAPTIONS AND HEADINGS IN THIS OFFICIAL STATEMENT ARE FOR CONVENIENCE OF REFERENCE ONLY AND IN NO WAY AFFECT THE MEANING OR CONSTRUCTION OF ANY PROVISION OR SECTION OF THIS OFFICIAL STATEMENT. THE OFFERING OF THE BONDS IS MADE ONLY BY MEANS OF THIS OFFICIAL STATEMENT.

REFERENCES TO WEBSITE 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 FOR PURPOSES OF, AND AS THAT TERM IS DEFINED IN, SEC RULE 15C2-12.

Cautionary Statements Regarding Forward-Looking Statements in this Official Statement

This Official Statement is marked with a dated date and speaks only as of that dated date. Readers are cautioned not to assume that any information has been updated beyond the dated date except as to any portion of the Official Statement that expressly states that it constitutes an update concerning specific recent events occurring after the dated date of the Official Statement. Any information contained in the portion of the Official Statement indicated to concern recent events speaks only as of its date. The District expressly disclaims any duty to provide an update of any information contained in this Official Statement, except as agreed upon by said parties pursuant to the Proposed Form of Continuing Disclosure Agreement included as APPENDIX G attached hereto.

The information contained in this Official Statement may include forward looking statements by using forward-looking words such as "may," "will," "should," "expects," "believes," "anticipates," "estimates," "budgets" or others. The reader is cautioned that forward-looking statements are subject to a variety of uncertainties that could cause actual results to differ from the projected results. Those risks and uncertainties include general economic and business conditions, and various other factors which are beyond the control of the District.

This Official Statement contains projections of revenues, expenditures and other matters. Because the District cannot predict all factors that may affect future decisions, actions, events or financial circumstances, what actually happens may be different from what is included in forward-looking statements.

THE NOTES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, NOR HAS THE NOTE RESOLUTION BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, AS AMENDED, IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH ACTS. THE REGISTRATION OR QUALIFICATION OF THE NOTES IN ACCORDANCE WITH APPLICABLE PROVISIONS OF SECURITIES LAWS OF THE STATES IN WHICH THE BONDS HAVE BEEN REGISTERED OR QUALIFIED AND THE EXEMPTION FROM REGISTRATION OR QUALIFICATION IN OTHER STATES CANNOT BE REGARDED AS A RECOMMENDATION THEREOF. NEITHER THESE STATES NOR ANY OF THEIR AGENCIES HAVE PASSED UPON THE MERITS OF THE NOTES OR THE ACCURACY OR COMPLETENESS OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE. IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR EXAMINATIONS OF THE DISTRICT AND TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED.

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OFFICIAL STATEMENT
relating to

$53,600,000[*]
HOSPITAL SERVICE DISTRICT NO. 1A
OF THE PARISH OF RICHLAND, STATE OF LOUISIANA
BOND ANTICIPATION NOTES,
SERIES 2026

INTRODUCTION

General

This Official Statement, including the cover page and Appendices, is furnished in connection with the offering of $53,600,000[*] in principal amount of Bond Anticipation Notes, Series 2026 (the "Notes") of Hospital Service District No. 1A of the Parish of Richland, State of Louisiana (the "District"), a political subdivision of the State of Louisiana (the "State"). The District owns and operates the Richland Parish Hospital, located at 407 Cincinnati Street, Delhi, Louisiana, and other medical facilities, including, but not limited to, buildings, improvements, equipment, accessories and furnishings, as now existing and as constructed, acquired, extended and improved hereafter from any source whatsoever, including, specifically, all properties of every nature owned in whole or in part by the District and used or useful in the operation of its hospital facilities, including real estate, personal and intangible properties, contracts, franchises, leases and choses in action (collectively, the "Hospital"). In addition to the Hospital, the District operates the Delhi Community Health Center, a federally qualified health center, and certain facilities, property, equipment, furnishings and leasehold improvements associated therewith (the "FQHC"). As used herein, "Hospital" expressly excludes the FQHC.

The Notes are being issued pursuant to a Resolution adopted by the Board of Commissioners of the District (the "Board") on June 25, 2026 (as amended and supplemented, the "Note Resolution"). The proceeds of the Notes will be used by the District for the purpose of (i) providing interim financing to assist in constructing improvements, expansions and renovations to the Hospital, including, but not limited to, equipment, fixtures, accessories and furnishings therefor (the "Project"), (ii) paying capitalized interest on the Notes, and (iii) paying the costs of issuance of the Notes. Pursuant to the Note Resolution, the Notes are secured by and payable from the proceeds of the District's Hospital Revenues Bonds to be issued to represent a direct loan from the United States Department of Agriculture, Rural Development (the "USDA Direct Loan Bonds") and the Net Revenues, each as further described herein. The Notes are being issued on a parity as to Net Revenues with the District's Hospital Revenue Bonds, Series 2026 (the "Bank Loan Bonds"). The District also intends to enter into one or more new markets tax credit transactions for the purpose of providing additional financing for the Project.

See "THE NOTES – Security" herein for a description of the security for the Notes. See "PROJECT FINANCING" herein for information on the USDA Direct Loan Bonds, the Bank Loan Bonds, and the new markets tax credit transactions.

This Official Statement contains descriptions of, among other matters, the Notes, the Note Resolution, and the District. Such descriptions and information do not purport to be comprehensive or definitive. All references herein to the Note Resolution are qualified in their entirety by reference to such document, and references herein to the Notes are qualified in their entirety by reference to the forms thereof included in the Note Resolution.

The Note Resolution is attached as APPENDIX D hereto. Definitions of certain terms not otherwise defined herein appear in the Note Resolution attached hereto.

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[*] Preliminary; subject to change.

The USDA Direct Loan Bonds and the Bank Loan Bonds are being issued pursuant to a Resolution adopted by the Board on June 25, 2026 (as amended and supplemented, the "Bond Resolution"). The Bond Resolution is attached as APPENDIX E hereto.

The District

The District is a political subdivision of the State created by the Richland Parish Police Jury (the "Police Jury"), the governing authority of the Parish of Richland, State of Louisiana (the "Parish") pursuant to Chapter 10 of Title 46 of the Louisiana Revised Statutes of 1950, as amended, and an ordinance adopted on April 18, 1989. The District is comprised of and embraces the territory contained within Ward 1 of the Parish as constituted on the date of its creation. The District is a component unit of the Police Jury for accounting purposes; however, its operations are independent of the Police Jury and the Parish, and it maintains its own books and records and separately reports its financial statements.

For additional information on the District, Delhi Rural Health Clinic, and the Delhi Community Health Center, see APPENDIX A – INFORMATION REGARDING HOSPITAL SERVICE DISTRICT NO. 1A OF THE PARISH OF RICHLAND, STATE OF LOUISIANA and APPENDIX B –FINANCIAL STATEMENTS OF HOSPITAL SERVICE DISTRICT NO. 1A OF THE PARISH OF RICHLAND, STATE OF LOUISIANA.

The Hospital and the Project

The Hospital is a critical access hospital, providing inpatient, outpatient, and emergency care services for the residents of Delhi and the surrounding area. Admitting physicians are primarily practitioners in the local area. The existing Hospital largely services the resident population of the town of Delhi in the Parish and the surrounding rural communities. The District has determined that the existing Hospital is inadequate for modern standards of patient care.

The Project includes the following:

- New acute care unit with 16 beds and a new 6-bed sleep-study unit;
- New emergency department with two trauma rooms and new helipad;
- New surgical suite with two new operating rooms and three new minor procedure and endoscopy rooms with sterile processing departments provided to process equipment onsite;
- A modern laboratory, pharmacy, radiology and diagnostic testing suite to support the new acute care and emergency departments, as well as provide outpatient services; this includes a CT scanner, MRI, mammography, ultrasound, EKG and bone density scanner;
- Respiratory therapy and inpatient physical therapy and occupational therapy departments; and
- An attached rural health clinic with 21 exam and treatment rooms, 12 provider offices and support areas.

Other required support functions such as dietary, materials management, housekeeping, administration, and plant operations will also be included within the replacement hospital facility. Medical records and the business/accounting offices will remain in the existing locations in the newest two-story annex. This portion of the existing Hospital will not be demolished.

The Construction Manager

The District has engaged The Lemoine Company, LLC to serve as the construction manager for the Project. The District and Lemoine have agreed to a guaranteed maximum price contract, as described more particularly in "NOTEHOLDERS' RISKS—Construction Risks". Founded in 1975, Lemoine has over 50 years of experience in the architecture, engineering, and construction industry. With corporate headquarters in Lafayette, Louisiana, Lemoine has offices in thirteen cities in six states and Puerto Rico. Lemoine has partnered on over 250 healthcare projects totaling $1.8+ billion and has been ranked the #14 healthcare contractor in the country by *Modern Healthcare*.

Risks

An investment in the Notes involves certain risks. See "NOTEHOLDERS' RISKS" herein, which discusses some of these risks, but it is not intended to be a comprehensive listing of all risks associated with the operation of the District's facilities or the payment of the Notes.

Changes to the Preliminary Official Statement

This Preliminary Official Statement and the information herein are subject to change, completion, and amendment. A final, definitive Official Statement will be made available prior to the delivery of the Notes.

For purposes of this Preliminary Official Statement, selling compensation, delivery dates, and certain other information dependent on pricing of the Notes have been omitted. Further, for purposes of this Preliminary Official Statement, offering prices, interest rates, aggregate principal amount, principal amount per maturity, and certain other information dependent on pricing of the Notes have been estimated. Actual information dependent on pricing will be established after pricing of the Notes and will be reflected in the final Official Statement. Such actual information will vary from the estimates.

Investors should check under the heading "INTRODUCTION–Changes to the Preliminary Official Statement" in the final Official Statement for guidance regarding information dependent on pricing of the Notes and for guidance regarding other information that is changed between the date of this Preliminary Official Statement and the date of the final Official Statement.

THE NOTES

Details of the Notes

The Notes will be dated the date of delivery thereof and will bear interest from that date at the rate set forth on the cover page of this Official Statement and will mature on August 1, 2029 (the "Final Maturity Date").

Interest on the Notes will be payable semi-annually on February 1 and August 1 of each year, commencing February 1, 2027. Interest on the Notes is calculated on the basis of a 360-day year consisting of twelve 30-day months.

The Notes are issuable only as fully registered notes without coupons in denominations of $5,000 or any multiple thereof.

Security

Pursuant to the Note Resolution, the Notes constitute limited and special obligations of the District, secured by and payable from (i) the proceeds of the USDA Direct Loan Bonds, and (ii) to the extent not paid from the foregoing, the Net Revenues. The Net Revenues and the proceeds of the USDA Direct Loan Bonds have been irrevocably and irrepealably pledged in an amount sufficient for the payment of the Notes in principal and interest as they shall respectively become due and payable and shall remain so pledged for the security of the Notes in principal and interest until they have been fully paid and discharged. The pledge of Net Revenues to pay the Notes shall be (i) on a parity with the pledge of Net Revenues to pay debt service on the Bank Loan Bonds, and (ii) superior to any payment obligations owed by the District with respect to the NMTC Transactions referred to below; however, the District shall not be required to set aside any Net Revenues or otherwise refrain from making a payment then due on the Bank Loan Bonds or with respect to the NMTC Transactions referred to below when no principal or interest payment is currently due on the Notes.

"Net Revenues" means the income, revenues and receipts derived or to be derived by the District from the operation of the Hospital and from ad valorem taxes received by the District, and all funds established and maintained by the provisions of the Note Resolution, to the extent available to pay debt service on the Notes, subject to the prior payment of the reasonable and necessary expenses of operating and maintaining the Hospital, other than (a)

depreciation, amortization and interest on long-term indebtedness (including the current portion thereof) and (b) all federal, state and local taxes assessed with respect to the income of the District if and to the extent that such income shall not have been included in the determination of annual revenue, all as determined in accordance with generally accepted accounting principles consistently applied; provided that no determination thereof shall take into account: (A) insurance proceeds payable as a result of casualty or other similar circumstances (other than the proceeds of medical and health insurance received for services rendered by the District or by a physician on behalf of the District, the proceeds of casualty insurance but only to the extent that the loss resulting from the casualty is included in the total expenses of the District with respect to the period in question and the proceeds of business interruption insurance), (B) extraordinary items determined in accordance with generally accepted accounting principles, (C) gains and losses attributable to refundings, advance refundings and other early extinguishments of indebtedness or (D) unrealized gains or losses on the valuation of investments.

THE NOTES WILL NOT CONSTITUTE A GENERAL OBLIGATION OF THE DISTRICT, AND NEITHER THE FULL FAITH AND CREDIT NOR THE TAXING POWER OF THE DISTRICT IS PLEDGED TO THE PAYMENT OF THE NOTES. THE ISSUANCE OF THE NOTES SHALL NOT DIRECTLY OR INDIRECTLY OR CONTINGENTLY OBLIGATE THE DISTRICT TO LEVY OR PLEDGE ANY ADDITIONAL AD VALOREM TAXES WHATSOEVER THEREFORE, AND THE OWNERS OF THE NOTES SHALL HAVE NO RECOURSE TO THE POWER OF ADDITIONAL AD VALOREM TAXATION FOR PAYMENT OR PRINCIPAL OF AND/OR INTEREST ON THE NOTES. THE NOTES SHALL NOT BE SECURED BY A MORTGAGE OR OTHER SECURITY INTEREST IN THE LAND OR FACILITIES COMPRISING THE HOSPITAL.

Pursuant to Section 39:1430.1 of the Louisiana Revised Statutes of 1950, as amended, the Net Revenues so pledged and then or thereafter received by the District or the Trustee shall be subject to the lien of such pledge. Pursuant to the Act and Section 39:1430.1, no filing with respect to said lien is required under Chapter 9 of the Uniform Commercial Code as enacted in the State.

USDA Direct Loan Bonds

The District covenanted in the Note Resolution to issue the USDA Direct Loan Bonds to refund the Notes prior to the Final Maturity Date. The Department of Agriculture, acting through the United States Department of Agriculture, Rural Development ("USDA"), has obligated funds to loan to the District an aggregate principal amount of $70,100,000 pursuant to a commitment letter dated June 4, 2026 (the "Commitment Letter"), upon compliance by the District with the provisions contained in the Letter of Conditions dated June 4, 2026 from USDA to the District (the "Letter of Conditions"), including but not limited to substantial completion of the Project in accordance with USDA requirements. The current Letter of Conditions is expected to be amended by USDA to reflect a lower loan amount of $53,600,000 and the addition of New Market Tax Credit funds of $15,850,000. See "USDA LETTER OF CONDITIONS AND USDA COMMITMENT LETTER" in APPENDIX C hereto for a copy of the Letter of Conditions and the Commitment Letter. USDA has determined that the conditions contained in the Letter of Conditions can be met by the District. The District has issued a letter of intent to meet these conditions (the letter of intent, together with the Letter of Conditions and the Commitment Letter, the "USDA Commitment"). USDA will be reviewing all draws on the proceeds of the Notes to be used for construction of the Project. However, USDA is not unconditionally bound to purchase all of the USDA Direct Loan Bonds and to fully fund the USDA Loan. The breach by the District of its covenants under the Letter of Conditions could result in a decision by USDA not to purchase all of the USDA Direct Loan Bonds and not to fully fund the USDA Loan. If USDA does not purchase all of the USDA Direct Loan Bonds and fully fund the USDA Loan, the District would have to seek financing from other sources in order to refund the Notes on or before the Final Maturity Date. There is no assurance the District could secure financing from other sources, and such failure to sell the USDA Direct Loan Bonds to another purchaser or secure financing from other sources would result in the nonpayment of the Notes on the Final Maturity Date.

In the event the District determines that there are economic benefits to defer the issuance of the USDA Direct Loan Bonds on or before the Final Maturity Date even though all requirements for issuance of the USDA Direct Loan Bonds have been met, the District may request a deferral from USDA and obtain other interim financing to pay the Notes on or before the Final Maturity Date, through the issuance of other financing, as permitted by the Note Resolution.

The failure by USDA to purchase the USDA Direct Loan Bonds and fully fund the USDA Loan would result in a default on the Notes if the District does not secure alternate financing and/or does not generate sufficient Net Revenues to pay the principal of, and interest and premium, if any, on the Notes on or before the Final Maturity Date. See "NOTEHOLDERS' RISKS — Failure to Redeem the Notes" herein. Even with the issuance of the Commitment Letter, USDA is not unconditionally bound to purchase all of the USDA Direct Loan Bonds and fully fund the USDA Loan. There is no assurance that USDA will purchase the USDA Direct Loan Bonds and fully fund the USDA Loan. See "USDA LETTER OF CONDITIONS AND USDA COMMITMENT LETTER" in APPENDIX C attached hereto for a copy of the Letter of Conditions and the Commitment Letter.

Redemption

Optional Redemption. The principal of the Notes is subject to optional redemption by the District, on October 1, 2028 or any date thereafter, in whole or in part at the principal amount of the installment to be redeemed, plus accrued interest from the most recent interest payment date to which interest has been paid or duly provided for, to the date fixed for redemption. Interest on the amount of principal so redeemed shall cease from the date of redemption.

Mandatory Redemption Upon Failure by District to Meet Certain Closing Conditions. The Notes are subject to extraordinary mandatory redemption in whole, but not in part, at a redemption price equal to one hundred percent (100%) of the principal amount thereof, plus accrued interest to the redemption date and plus a premium of 0.25%, in the event the Closing Conditions (as defined and described in "PLAN OF FINANCE—Closing Escrow") are not fully satisfied on or before the forty-fifth (45th) day following the date of delivery of the Notes (that is, September ___, 2026). In such event, the Notes shall be called for redemption on the sixtieth (60th) day following the date of delivery of the Notes (that is, September ___, 2026).

Mandatory Redemption Upon Issuance of USDA Direct Loan Bonds. Upon the issuance of all or a portion of the USDA Direct Loan Bonds, the District shall redeem the Notes in an amount equal to the net proceeds of the USDA Direct Loan Bonds so issued not later than twenty (20) days following the issuance of the USDA Direct Loan Bonds.

Notice of Redemption. Official notice of the call of any of the Notes for optional or mandatory redemption shall be given by the Trustee by means of (i) first class mail, postage prepaid, or (ii) electronic transmission not later than twenty (20) days prior to the redemption date, except in the case of the notice described in "Mandatory Redemption Upon Failure by District to Meet Certain Closing Conditions". Notice of redemption may be conditioned on the availability of funds therefor.

Defeasance

Pursuant to Chapter 14 of Title 39 of the Louisiana Revised Statutes of 1950, as amended, or any successor provisions thereto, and the Note Resolution, the Notes, in whole or in part, shall be defeased and shall be deemed to be paid and shall no longer be considered to be outstanding under the Note Resolution, and the covenants, agreements, and obligations contained in the Note Resolution with respect to such Notes shall be discharged if one of the following shall occur:

(1) There is deposited in an irrevocable trust with a bank which is a member of the Federal Deposit Insurance Corporation, or its successor, or with a trust company, moneys in an amount sufficient to pay in full the principal of and interest and call premiums, if any, on such Notes to their stated maturity.

(2) There is deposited in an irrevocable trust with a bank which is a member of the Federal Deposit Insurance Corporation, or its successor, or with a trust company, non-callable direct general obligations of the United States of America or obligations unconditionally guaranteed in principal and interest by the United States of America, including certificates or other evidence of an ownership interest in such non-callable direct obligations, which may consist of specified portions of interest thereon, such as those securities commonly known as CATS, TIGRS, and STRPS, the principal of and interest on which, when added to other moneys, if any, deposited therein, shall be

sufficient to pay when due the principal of and interest and call premiums, if any, on such Notes to their stated maturity.

Neither the obligations nor the moneys deposited in irrevocable trust nor the principal or interest payments on any such obligations shall be withdrawn or used for any purpose other than and shall be held in trust for the payment of the principal of and interest on the Notes defeased. The owners of the Notes which are so defeased shall have an express lien on such moneys or governmental obligations until paid out, used, and applied as set forth above.

Trustee

Argent Institutional Trust Company (the "Trustee") is designated as the initial trustee for the Notes pursuant to the Note Resolution.

Purchase of Notes

The Notes are being purchased by Stifel, Nicolaus and Company, Incorporated, Baton Rouge, Louisiana (the "Underwriter"). See "UNDERWRITING" herein.

Record Date

Payment of interest due on each interest payment date will be made to the persons who were registered holders of the Notes on the regular record date for such interest payment date, which will be the 15th day of the month preceding such interest payment date.

No Debt Service Reserve Fund

The Notes are not secured by a debt service reserve fund or any other reserve fund.

No Mortgage

The Notes are not secured by a mortgage, deed of trust, or other security interest in the land or facilities comprising the Hospital.

Covenants

The Note Resolution contains covenants regarding the operation of the Hospital for the benefit of the holders of the Notes, as described below. The Note Resolution is attached as APPENDIX D hereto

Book-Entry Only System

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Notes. The Notes 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 Note certificate will be issued for each maturity of the Notes, each in the aggregate principal amount of 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. 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 Notes under the DTC system must be made by or through Direct Participants, which will receive credit for the Notes on DTC's records. The ownership interest of each actual purchaser of each Note ("Beneficial Owner") is in turn to be recorded on the Direct 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 Notes 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 ownership interests in the Notes, except in the event that use of the book-entry system for the Notes is discontinued.

To facilitate subsequent transfers, all Notes 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 Notes 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 Notes; DTC's records reflect only the identity of the Direct Participants to whose accounts such Notes 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.

Redemption notices shall be sent to DTC. If less than all of the Notes within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Notes unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to District 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 Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Notes 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 District or Trustee, on any payment date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with Notes held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District or the Trustee, 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 Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Notes at any time by giving reasonable notice to the District or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, Note certificates are required to be printed and delivered.

The District may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor Notes depository). In that event, Note 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 District believes to be reliable, but neither the District nor the Trustee takes any responsibility for the accuracy thereof.

PLAN OF FINANCE

The proceeds of the Notes, together with proceeds of the Bank Loan Bonds, available funds of the District, and equity derived from one or more new markets tax credit transactions, will be used by the District to (i) pay the costs of the Project, (ii) pay capitalized interest, and (iii) pay certain costs of issuance of the Notes. See "THE NOTES — USDA Direct Loan Bonds" herein for a discussion of the anticipated permanent financing for the construction of the Project. See APPENDIX A hereto for a detailed description of the Project.

The USDA Direct Loan

For information concerning the USDA Direct Loan Bonds, see "THE NOTES – USDA Direct Loan Bonds" herein.

The Bank Loan Bonds

Simultaneously with the issuance of the Notes and in order to fully finance the Project, the District will enter into the Bank Loan Bonds in the amount of $9,000,000 with Commercial Capital Bank (Delhi, Louisiana) (the "Bank"). The District will pledge its Net Revenues to the payment of its obligations under the Bank Loan Bonds, which pledge is on parity with its pledge of Net Revenues to secure the payment of its obligations under the Notes and any future Parity Obligations. In addition, eighty percent (80%) of the Bank Loan Bonds will be guaranteed by the USDA under the Community Facilities Guaranteed Loan Program and pursuant to the terms and conditions set forth in the Conditional Commitment for Guarantee dated as of June 4, 2026, issued by the USDA and the Acceptance of Conditions incorporated therein and executed by the District. The Bank Loan Bonds are further secured by a mortgage on the Hospital.

The NMTC Transactions

The District intends to enter into one or more new markets tax credit transactions under Section 45D of the Code (collectively, the "NMTC Transactions") to provide additional funding for the Project. To facilitate the NMTC Transactions and acting pursuant to Section 39:1051 of the Louisiana Revised Statutes of 1950, as amended (the "Public Facilities Financing Act"), the District authorized the creation of Delhi Health Management Solutions (the "Foundation"), a Louisiana nonprofit corporation and an organization qualified under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code").

The Foundation has executed commitment letters with multiple community development entities (collectively, the "CDEs") pursuant to which the CDEs will dedicate portions of their respective new markets tax credit allocations to the Foundation. The Foundation currently expects the total new markets tax credit allocation to equal $92,000,000[*] (the "NMTC Allocations").

The Foundation will access the NMTC Allocations by entering into one or more loan agreements with each CDE (or one of its affiliates). The loans made pursuant to such loan agreements will be funded by a separate limited liability company created as a special-purpose entity solely for purposes of funding such loans, known as the Investment Fund (the "Fund"). The Fund will be capitalized through an equity investment made by a tax credit investor, an affiliate of Valley National Bank (New York, New York), and a loan made to the Fund by the District (the "Leverage Loan"). The District will utilize its own capital, the proceeds of the Bank Loan Bonds, and the proceeds of a loan to the District made by The Reinvestment Fund, Inc. Philadelphia, Pennsylvania (the "Bridge Loan"), to

[*] Preliminary; subject to change.

fund the Leverage Loan. **THE PROCEEDS OF THE NOTES WILL NOT BE USED TO MAKE THE LEVERAGE LOAN TO THE FUND DESCRIBED IN THIS PARAGRAPH.**

As part of the NMTC Transactions, the District will enter into a Ground and Facilities Lease (the "Ground Lease") with the Foundation, pursuant to which the District will lease the Project to the Foundation, which will pay advance rent to the District in the total amount of $73.4 million. The Ground Lease has a term of 99 years. The Foundation will simultaneously lease the Project back to the District pursuant to an Operating Lease (the "Operating Lease"). The District will pay periodic rent to the Foundation as set forth in the Operating Lease. The Operating Lease is a "triple-net" lease with a term of 30 years. The rental payments that the Foundation receives pursuant to the Operating Lease will be used to pay debt service on the loans made by the CDEs (or their captive affiliates). The CDEs will in turn make distributions to the Fund, which will in turn pay debt service on the Leverage Loan made to it by the District. As a result, the District receives loan repayments that are approximately equal to the amount it pays to the Foundation as rental payments pursuant to the Operating Lease. The amount received by the District as repayment of the Leverage Loan are included as Net Revenues.

The District is entering into the Bridge Loan solely to facilitate the NMTC Transactions. The Bridge Loan is expressly made subordinate to the Notes and the Bank Loan Bonds. The first rental payments the District receives pursuant to the Ground Lease will be used to prepay the Bridge Loan. Upon the redemption of the Bridge Loan, the remaining rental payments the District receives pursuant to the Ground Lease will fund the Project. Those remaining rental payments are included as "NMTC Equity" in the chart under the heading "Estimated Sources and Uses of Funds" below.

Closing Escrow

On settlement day of the Notes all net proceeds (Note proceeds less the underwriting fee and cost of issuance of the Notes) of the Note sale and the District's equity contribution of $12,500,000 (together the "Escrowed Funds") shall be deposited with the Trustee and held in escrow for a period of up to forty-five (45) days to allow confirmation that (a) all required closing documentation has been received from USDA, (b) the USDA-guaranteed Bank Loan Bonds in the amount of $9,000,000 have closed and funded, (c) all NMTC Equity funds totaling $15,850,000 have been received, and (d) the District has certified that any and all other business matters related to the transaction to effect a financial closing have been completed such that all anticipated funds necessary (from all sources) for the Project to proceed have been received (the "Closing Conditions"). Once the Closing Conditions are met the Escrow Funds will be deposited with the Trustee and Commercial Capital Bank as indicated in "Estimated Sources and Uses of Funds".

Failure to meet the Closing Conditions within the 45-day period will result in an extraordinary redemption of the Notes (see "THE NOTES—Redemption—Mandatory Redemption Upon Failure by District to Meet Certain Closing Conditions") at a price of par plus accrued interest plus a premium of 0.25%. If an Extraordinary Mandatory Redemption occurs, the Notes will be prepaid from the Escrowed Funds.

The District believes that all funds from all sources will be received, if not on settlement day of the Notes, then shortly thereafter and within the 45-day period. The purpose of the closing escrow is to provide USDA a short period of additional time to satisfy all of its closing requirements, which then initiates funding of the Bank Loan Bonds and the NMTC equity. This assures investors of the Notes that net proceeds of the Notes will only be released once all funds are received from all sources. The Escrow Funds held by the Trustee exceed the amount needed to redeem the Notes if an extraordinary redemption were to occur.

Estimated Sources and Uses of Funds

The Sources and Uses of Funds relating to the Project are as follows:

Sources of Funds[1]	
Notes	$53,600,000
Bank Loan Bonds	9,000,000
NMTC Equity	15,850,000
District Equity[2]	12,500,000
Total Sources of Funds	$90,950,000
Uses of Funds[1][2][3]	
Construction and Related Costs	$ 59,711,288
Architectural, Engineering, and Other Professional Fees	4,000,000
Furniture, Fixtures, and Equipment	14,800,000
Contingency	5,000,000
Construction Period Interest	5,500,000
Costs of issuance[4]	1,938,712
Total Uses of Funds	$90,950,000

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(1) Estimated. See "PLAN OF FINANCE – The Bank Loan Bonds" and "PLAN OF FINANCE – The NMTC Transactions" herein.

(2) Except for funds of approximately $5,500,000 to pay capitalized interest on the Notes, which will be held with the Trustee (that is, Argent Institutional Trust Company), all funds from the financing (that is, approximately $79,500,00) will be held by the Bank (that is, Commercial Capital Bank), which, as a bank that participates in the State of Louisiana's public funds depository program, is subject to collateral requirements for banks holding public funds. For more information on the Bank, see www.comcapbank.com and www.fdic.gov.

(3) District equity is expected to fund project costs of approximately $12,500,000 and a debt service reserve fund of approximately $4,700,000; such reserve fund will secure only the Bank Loan Bonds and the USDA Direct Loan and will be funded at the time of closing of the USDA Direct Loan. Such reserve fund will **not** secure the Notes, and the owners of the Notes have no claim on such reserve fund.

(4) Includes underwriter's discount, legal, accounting, municipal advisor, and other fees and expenses of issuance. Costs of issuance for the Notes, the Bank Loan Bonds, and the USDA Direct Loan are aggregated in this line item. Costs of issuance will be paid by the Trustee.

NOTEHOLDERS' RISKS

General

This discussion of risk factors is not, is not intended to be and cannot be exhaustive. The occurrence of one or more of the following events, or the occurrence of other unanticipated events, could adversely affect the District's financial performance.

No person should purchase any Note without carefully reviewing this entire Official Statement, including, without limitation, the following information which summarizes some, but not all, of the risks associated with such purchase.

As noted above, the Notes are payable from the Net Revenues of the District on a parity basis with the Bank Loan Bonds and any other Parity Obligations, from other funds held by the District under the Note Resolution and from proceeds of the USDA Loan Notes.

Certain risks are inherent in the successful operation of the Hospital. Such risks should be considered in evaluating the District's ability to generate sufficient Net Revenues to pay the principal of, premium, if any, and interest on the Notes and other Parity Obligations when due. **This section discusses some of these risks, but it is not intended to be a comprehensive listing of all risks associated with the operation of the District or the payment of the Notes.**

Failure to Redeem the Notes

The Notes are intended to provide interim financing for a portion of the Project and mature on August 1, 2029. USDA has obligated funds to the District in the amount of $70,100,000 and has committed to purchase the USDA Direct Loan Bonds upon satisfaction by the District of the terms and conditions contained in the Letter of Conditions, including substantial completion of the Project in accordance with USDA requirements. The Project is anticipated to be substantially complete by October 1, 2028. See "USDA LETTER OF CONDITIONS AND USDA COMMITMENT LETTER" in APPENDIX C hereto for a copy of the Letter of Conditions and the Commitment Letter.

As part of the construction process USDA will be reviewing and approving construction draw requests for construction of the Project in accordance with USDA standards; however, even with the issuance of the Commitment Letter and the issuance of the Notes, USDA is not unconditionally bound to purchase all of the USDA Direct Loan Bonds. The breach by the District of its covenants under the Letter of Conditions could result in a decision by USDA not to purchase all of the USDA Direct Loan Bonds and to fully fund the USDA Loan.

The Notes are secured by the Net Revenues on a parity basis with the Bank Loan Bonds and any other Parity Obligations, proceeds of the USDA Direct Loan Bonds, and the funds and accounts established in the Note Resolution. See "THE NOTES – Security" herein for a further discussion of the security for the Notes.

If (1) USDA determines that it will not purchase all of the USDA Direct Loan Bonds because all of the conditions for the USDA Loan have not been met on or before the Final Maturity Date, including but not limited to substantial completion of the Project, (2) USDA will not issue the loan as a multiple advance loan, or (3) the District does not secure other interim or permanent financing for the Project, the District will not have sufficient Net Revenues to pay the principal of and interest on the Notes at maturity. See "THE NOTES – Security" herein. There is no certainty that the District would be able to obtain other financing or generate sufficient revenues to pay the principal of, premium, if any, and interest on the Notes on or before the Final Maturity Date, if ever. The Net Revenues of the District would be insufficient to pay in full the outstanding principal of, premium, if any and interest on the Notes when due. See "NOTEHOLDERS' RISKS — Adequacy of Revenues" herein. Failure by the District to pay the principal of and interest on the Notes when due would result in an event of default under the Note Resolution.

Pledge of Net Revenues

The Notes are secured by a pledge of the Net Revenues and the proceeds of the USDA Direct Loan Bonds but are not secured by liens on other property of the District. See "THE NOTES – Security" herein for a description of the security for the Notes.

Adequacy of Revenues

The adequacy of the District's revenues will be dependent on the amount of future income received by the District. If the occupancy of or services provided by the District's facilities decreases or reimbursement from government programs decreases, the future income of the District pledged to the payment of the Notes may not be sufficient to pay the principal and interest on the Notes.

Difficulties in Enforcing Remedies

The timely payment of the Notes and the remedies available to the owners of the Notes in the case of nonpayment of the Notes are in many respects dependent upon judicial actions which are often subject to delayed payment or discretion and delay. Under existing constitutional and statutory law and judicial decisions, including

specifically in the United States Bankruptcy Code, 11 U.S.C. §101 et seq. (the "Bankruptcy Code"), remedies may not be readily available or may be limited. The various legal opinions delivered concurrently with the delivery of the Notes will be qualified as to the enforceability of the various legal instruments by limitations imposed by general principles of equity and by bankruptcy, insolvency, reorganization, moratorium, or other similar laws affecting the rights of creditors generally.

The enforceability of the rights and remedies of the owners of the Notes, and the obligations incurred by the District in issuing the Notes, are subject to the Bankruptcy Code and applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws relating to or affecting the enforcement of creditors' rights generally, now or hereafter in effect to the extent constitutionally applicable; equity principles which may limit the specific enforcement under State law of certain remedies; the exercise by the United States of America of the powers delegated to it by the federal Constitution; and the exercise of the sovereign police powers of the State or its governmental bodies. Consistent with the contracts clauses of the Louisiana and United States Constitutions, in a bankruptcy proceeding or due to the exercise of powers by the federal or State government, owners of the Note could be subject to judicial discretion and the interpretation of their rights in bankruptcy or otherwise, which consequently may entail risks of delay, limitation, or modification of their rights. Under current State law, no political subdivision of the State, including the District, may file for protection under Chapter 9 of the Bankruptcy Code unless such filing is approved by the Louisiana State Bond Commission (the "State Bond Commission") and the Governor and Attorney General of the State. Further, no political subdivision of the State, after filing for bankruptcy protection, may carry out a plan of readjustment of debts approved by the bankruptcy court until such plan is approved by the State Bond Commission and the Governor and Attorney General of the State.

Lack of Secondary Market for the Notes

The Notes will not be listed on a securities exchange or inter-dealer quotation system. There can be no assurance that there will be a secondary market for the Notes, and the absence of such a market for the Notes could result in investors not being able to resell their Notes should they need or wish to do so.

Although the Underwriter intends to make a market in the Notes, the Underwriter is not obligated to do so. Any such market making may be discontinued at any time.

Failure to Provide Ongoing Disclosure

The failure of the District to comply with the Continuing Disclosure Agreement described herein may adversely affect the transferability and liquidity of the Notes and their market price. See "CONTINUING DISCLOSURE" herein.

Economic Conditions and Financial Markets

In the past, the United States government has shut down and curtailed most routine operations after Congress failed to enact legislation appropriating funds for a fiscal year, or to adopt a continuing resolution for interim authorization of appropriations for the remainder of a fiscal year. During such shutdowns, many federal employees are furloughed and other federal employees were required to report to work without known compensation dates. If a government shutdown occurs in the future, there can be no assurance that federal payments, including Medicare payments or Medicaid payments to the states or the purchase of the USDA Direct Loan Bonds by USDA, will occur on a timely basis or at all during such a shutdown. While prior governmental shutdowns and continuing resolutions have not had a material adverse effect on the District's revenues, there can be no assurance that future governmental shutdowns will not adversely affect such revenues.

The U.S. economy is unpredictable. Economic downturns and other unfavorable economic conditions have previously impacted the health care industry and health care providers' operations and financial condition. If general economic conditions worsen as a result of inflation, rising costs, the implementation of tariffs or other economic policy initiatives and/or other causes, the District's financial performance and its liquidity and ability to repay outstanding debt, including debt service on the Notes, may be adversely affected. Broad economic factors—such as unemployment rates, inflation, interest rate increases or instabilities in consumer demand and consumer spending—could affect the

District's patient service volumes and its ability to collect outstanding receivables. Additionally, following the passage of the Inflation Reduction Act of 2022 (the "IRA") and the implementation of a corporate alternative minimum tax for certain entities, those entities may have less capital to invest in bond markets, and the demand for the Notes could be adversely impacted.

Other economic conditions that from time to time may adversely affect the District's revenues and expenses, and consequently, its ability to pay debt service on the Notes, 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, (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, (7) reduced availability or affordability of health insurance, (8) a shortage of physician, nursing, or other professional personnel, (9) a shortage of medical supplies and critical care unit beds, (10) increased inflation, interest rates and operating costs, (11) a reduction in the receipt of grants and charitable contributions, (12) unfavorable demographic developments in the District'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.

Like the rest of the country, the District has recently experienced significant increases in the costs of goods and services needed to operate their facilities, as well as meaningful wage and salary pressures, and any increases in fees to cover these inflationary costs or pressures may be limited by competition and other factors. Supply chain challenges may also negatively impact the District's ability to maintain its facilities and construct new facilities. As a result, the District may experience delays and increased costs associated with inflation and such supply chain issues.

Health Care Industry Risk Factors

The health care industry is subject to a number of factors that could adversely affect the business prospects of the District. Among those factors are those described below.

Shifting Political Landscape for Health Care in the U.S. The Trump administration's economic, tax and health care policies could have a significant impact on the health care industry and the District. Since taking office in January 2025, President Trump has announced, revised, paused and enacted various executive orders and tariffs which could have wide-reaching economic impact on the health care industry, including increasing the costs of constructing new medical facilities and the costs of medical equipment, pharmaceutical products and supplies.

Shifts in leadership at executive agencies such as the U.S. Department of Health and Human Services ("HHS"), the Centers for Medicare & Medicaid Services ("CMS"), and the Food and Drug Administration ("FDA") and the creation of temporary executive commissions such as the Department of Government Efficiency and the Make America Healthy Again Commission, may create uncertainty for health care providers around regulatory priorities, Medicare and Medicaid reimbursement, and other funding upon which providers may rely. As described more herein, President Trump recently signed H.R. 1, the One Big Beautiful Bill Act (the "OBBBA") into law. OBBBA Title VII-Finance, Subtitle B—Health includes significant reforms to Medicare, Medicaid and ACA premium tax credits and eligibility, the implications of which could be far-reaching and may become evident only over time.

Additionally, tax policy and reform were a significant focus of President Trump's presidential campaign. The OBBBA extended and expanded the tax cuts to corporations and individuals provided by the Tax Cuts and Jobs Act of 2017, which were set to expire at the end of 2026. Congress used the budget reconciliation process to extend expiring tax cuts and other Administration priorities, while using reductions in federal health care spending, particularly Medicaid spending, to partially pay for the law. Reductions in the corporate or individual tax rates could also be offset by revenue raisers such as a tax on excess compensation within tax-exempt organizations. The tax reform effected by the OBBBA may materially affect the District's operations, financial condition, or access to capital. It is not possible to predict with any certainty whether or when any specific provision or implementing measure will be proposed, announced or enacted on any significant respect.

Medicaid. Medicaid (Title XIX of the federal Social Security Act) is a health insurance program for certain low-income and needy individuals that is jointly funded by the federal government and the states. It covers over 80

million people, including children, the aged, blind, and/or disabled, and individuals who are eligible to receive federally assisted income maintenance payments. Pursuant to broad federal guidelines, the states and the United States territories (Puerto Rico, Guam, the Virgin Islands, American Samoa, and the Northern Mariana Islands) each (1) establish their own eligibility standards; (2) determine the type, amount, duration, and scope of services; (3) set the payment rates for services; and (4) administer their own programs. Some states operate certain Medicaid programs under a waiver of some of the basic Medicaid requirements. Pursuant to the Medicaid program, the federal government supplements funds provided by the various states for medical assistance to the medically indigent. Payment for such medical and health services is made to hospitals in an amount determined in accordance with procedures and standards established by state law under federal guidelines.

The OBBBA includes substantial reforms to Medicaid that may materially affect the financial condition of health care providers and health systems that rely on Medicaid reimbursement. The OBBBA mandates substantial reductions in federal Medicaid funding of over $1 trillion in the next decade, and it introduces a series of new eligibility, administrative, and cost-sharing requirements, as well as new limits on Medicaid supplemental and directed payments and new Medicaid financing restrictions.

Key provisions of the OBBBA related to Medicaid include mandatory work and community engagement requirements for most non-disabled adults under age 65, more frequent and stringent eligibility redeterminations, increased copayments for certain Medicaid beneficiaries, restrictions on state financing mechanisms such as provider taxes, limits on state directed payments, and new limitations on Medicaid coverage for certain immigrant populations. These changes are expected to have several material effects on state Medicaid programs and the broader health care delivery system, including: (i) coverage losses and increased uninsured rates, resulting in higher uncompensated care costs for hospitals and health care providers, particularly those serving low-income and rural populations, (ii) increased fiscal pressure on states to maintain current coverage levels, whether through increases in their own contributions or, alternatively, reductions in benefits, provider payments or eligibility, and (iii) adverse effects on the financial condition of hospitals and providers, especially those with a high proportion of Medicaid patients, as a result of reductions in Medicaid enrollment and payments.

The Medicaid reforms imposed by the OBBBA could have a material adverse effect upon the District's operations and financial results.

The Health Care Industry is Highly Regulated. The health care industry in general is subject to regulation by a number of governmental and private agencies, including those which administer the Medicare and Medicaid programs. The health care industry is also affected by federal, state and local policies developed to regulate the manner in which health care is provided, administered and paid for nationally and locally. As a result, the health care industry is sensitive to frequent and substantial legislative and regulatory changes. Congress and the states have consistently attempted to curb the growth of spending on federal and state health care programs. In addition, Congress and other governmental agencies have focused on the provision of care to indigent and uninsured patients, prevention of "dumping" such patients on public hospitals in order to avoid the provision of non-reimbursed care, the unlawful payment of remuneration in exchange for referral of patients, the unauthorized use or disclosure of patients' protected health information, billing for services not in accordance with governmental requirements and other issues.

It is unlikely that the District could attract sufficient numbers of private pay patients to become self-sufficient without reimbursement from governmental programs. Cost shifting to private sources of payment is not an option to offset declining federal and state reimbursement because private insurance companies have adopted cost containment measures similar to those used by government agencies. These cost containment mechanisms include managed care and capitated payment.

Despite these efforts, due to, among other things, the growing percentage of older persons in the population, improved technology and administrative costs in a highly regulated industry, health care expenditures as a percentage of the gross national product continue to rise. Consequently, it can be expected that aggressive cost containment measures and anti-fraud and abuse investigation and enforcement could have a material adverse effect on the District. Continue efforts in the form of statutory and regulatory activity to reduce the rate of increase in reimbursement for health care costs, particularly costs paid under the Medicare and Medicaid programs, can be expected.

The Medicare and Medicaid programs have been and continue to be affected by numerous legislative initiatives. In general, the purpose of much of the statutory and regulatory activity has been to reduce the rate of increase in health care costs, particularly costs paid under the Medicare and Medicaid programs. Diverse and complex mechanisms to limit the amount of money paid to health care providers under both the Medicare and Medicaid programs have been enacted, and have caused reductions in reimbursement from those programs.

Numerous other proposals have been advanced by various parties to require or promote alternate methods of health care delivery, to establish health care cost containment measures, to provide alternatives for payment of health care costs under Medicare, Medicaid and private reimbursement programs, and to institute other changes in health care payment and reimbursement.

The District is subject to governmental regulation under the federal Medicare program and the joint federal and state Medicaid program. Health care providers, including the District, have been and will continue to be affected by changes that have occurred during the last several years in the administration of the Medicare and Medicaid programs.

The health care industry is highly regulated by the federal and state governments. These laws and regulations relate to areas such as the required delivery of care whether or not patients have the resources for payment, the quality of care and outcomes of health care services provided, excessive re-admission of patients, accuracy of billing and collecting for services rendered, privacy of patients and their health care information, and the relationship between providers and physicians who refer patients to the provider's health care facilities. The cost of compliance with these laws and regulations is significant.

Payment Systems. The District derives most of its revenues from Medicare, Medicare Advantage, Medicaid, Blue Cross and other third-party payor programs. Such programs typically provide payment for services rendered to their beneficiaries in an amount that is less than actual cost of providing care. These payment systems are complex, subject to periodic change, and require a high degree of accuracy in the billing and collecting process. Failure to submit accurate billing may result in large financial penalties or claims or disqualification from the third-party payor program. Penalties or claims may be made by governmental authorities, such as the Department of Justice and the Department of Health and Human Services Office of Inspector General, independent auditing firms under contract with the government, or from private whistleblowers under so-called False Claims Act "qui tam actions".

Alternate Payment Systems. The payment systems for health care services may be expanded to cover capitation or other coverage programs in which the providers assume the risk of health care services for a defined population. The District currently does not provide coverage on a capitated basis; however, the development of such coverage programs in the District's market could force the District to assume increased risk for the amount and cost of services it provides.

Managed Care Organizations. Health maintenance organizations, preferred provider organizations and other managed health care systems (collectively, "Managed Care Organizations") are providers of health care coverage significantly different from traditional commercial insurers. Managed Care Organizations represent a broad continuum of systems generally designed to favorably affect the cost, the site and/or the utilization of health care services from a patient standpoint. As such, they include health maintenance organizations, which generally accept uniform per-employee payments from employers and/or employees with fees based on the number of enrollees and in return agree to provide all, or substantially all, of an enrollee's health care needs, and preferred provider organizations, which generally negotiate favorable prices with providers and thus create preferred provider arrangements. Such plans range in size from smaller local provider-based plans to some of the largest plans in the United States. Managed Care Organizations often rely upon case management analysis to reduce utilization of health care services, including discouraging an enrollee's admission to a hospital unless determined to be absolutely necessary. As Managed Care Organizations' enrollment increases, such entities also become significant purchasers of health care services from hospitals and other providers enabling them to negotiate separate pricing terms and select health providers offering the most cost-effective services. Such case and cost management efforts on behalf of Managed Care Organizations may adversely affect utilization of the District's facilities and/or patient revenues.

Most Managed Care Organizations pay health care facilities on a discounted fee-for-service basis or on a discounted fixed rate per day of care. The discounts offered to Managed Care Organizations may result in payment

at less than actual cost and the volume of patients directed to a health care facility under a Managed Care Organization's contract may vary significantly from projections. In cases where a Managed Care Organization is a major purchaser of services from a particular health care facility operated by the District, contract rate reductions, contract cancellations, inability to pay, failure to make prompt payment, difficulty in meeting solvency thresholds, business failure or bankruptcy of the Managed Care Organization may have a substantial negative effect on the District's financial condition. As such, it is not possible at this time to predict the future of the managed care industry in general or of specific Managed Care Organizations, or to predict what impact the state of the financial health of such organizations might have on the District.

Uncompensated Care. Hospital providers across the country continue to see a rise in uncompensated care as a result of adverse economic conditions or other factors that further increase the proportion of patients who are unable to pay fully for their cost of care. The cost of uncompensated care has generally been absorbed by margins generated by contracts with third-party payors. However, increases in contracted reimbursement rates may not be sufficient to fully offset the increased cost of uncompensated care

Healthcare Reform. In 2010, Congress adopted extensive health reform legislation commonly referred to as the Affordable Care Act (referred to herein as the "ACA" or "Healthcare Reform Acts"). This legislation attempts to extend commercial insurance coverage and Medicaid coverage to many patients not previously covered, and it also imposes numerous operating and reporting requirements on health care providers. The ACA has affected and continues to affect the delivery of health care services, the financing of health care costs, reimbursement of health care providers and the legal obligations of health insurers, providers, employers and consumers. Some of the provisions of the ACA took effect immediately or within a few months of enactment, while others were phased in over time. Because of the recognized complexity of the ACA, additional legislation has been and may be considered for enactment in the future.

The ACA has also required, and will continue to require, the promulgation of substantial regulations with the potential to have significant effects on the health care industry and the District, including the need for structural and operational changes for a substantial period of time. The full ramifications of the ACA may only become apparent over an extended period of time and through later regulatory and judicial interpretations. Portions of the ACA have already been limited or nullified as a result of legislative amendments and judicial interpretations and future actions may further change its impact. The uncertainties regarding the implementation of the ACA and the continuation of the ACA create unpredictability for the strategic and business planning efforts of health care providers, which in itself constitutes a substantial risk.

The ACA and its implementation have been, and remain, politically controversial. Since its enactment, the law has continually faced legal, legislative and political challenges, including legislative repeal efforts. These actions included introducing and voting on various bills aimed at repealing and replacing all or portions of the ACA. While no bills wholly repealing the ACA have passed both chambers of Congress, a tax reform bill passed in late 2017 (the "Tax Cuts and Jobs Act of 2017") effectively eliminated the Individual Mandate Tax Penalty, which subjected certain individuals to tax penalties for failure to purchase health insurance, by reducing the penalty to zero dollars effective as of 2019. In addition, the ACA has faced a string of lawsuits challenging various aspects of the law and has survived three major Supreme Court challenges. While the majority of the ACA remains law, new legal or legislative challenges to the ACA may occur in the future.

Executive branch actions can also have a significant impact on the viability of the ACA. The current administration has issued executive actions rolling back various protections in the ACA. The rollbacks include, without limitation, defunding ACA outreach programs that help individuals enroll in health plans, and shortening enrollment periods. Some states have filed lawsuits to block these changes. If implemented, such measures could result in reduced enrollment in ACA health plans. In addition, the OBBBA alters key aspects of the ACA—largely by tightening access and reducing financial support, which is projected by some analysts to result in loss of coverage for substantial numbers of people.

The continued focus on health care reform may increase the likelihood of significant changes affecting the health care industry. Possible future changes in the Medicare, Medicaid and other state programs, including Medicaid supplemental payments pursuant to upper payment limit programs, may reduce reimbursements to the District and may also increase their operating expenses. It is not possible to predict with any certainty whether or when the ACA

or any specific provision or implementing measure will be repealed, withdrawn or modified in any significant respect, but a unified administration and majority in both chambers of Congress could enact legislation, withdraw, modify or promulgate rules, regulations and policies, or make determinations affecting the health care industry and the District, any of which individually or collectively may have a material adverse effect on the operations, financial condition and financial performance of the District.

In 2016, Louisiana elected the ACA option to expand Medicaid coverage, leading to a drop in uninsured persons. Though DHH continues to implement Medicaid expansion though potential budget cuts, the future of such expansion remains uncertain.

EMTALA. The Emergency Medical Treatment and Active Labor Act ("EMTALA") is a federal civil statute that requires hospitals to conduct a medical screening for emergency conditions and to stabilize a patient's emergency medical condition before releasing, discharging or transferring the patient. A hospital that violates EMTALA is subject to civil penalties of up to $105,000 per offense and exclusion from Medicare and Medicaid programs. In addition, a hospital may be liable for any claim by an individual who has suffered harm as a result of a violation of EMTALA. The District's management cannot predict the future impact of providing care required by EMTALA.

CMS rescinded its 2022 EMTALA guidance regarding abortion-related stabilizing care on June 3, 2025, while asserting continued enforcement of EMTALA generally. The withdrawal increases legal uncertainty for hospitals in states with restrictive abortion laws and may elevate compliance risk in emergency departments.

Pricing Transparency and Surprise Billing. Hospitals are required to make public a list of their standard charges in machine-readable format and include charges for all hospital items and services and average charges for DRGs. Since January 1, 2021, CMS' price transparency rule has required all hospitals to also make public their payor-specific negotiated rates, minimum negotiated rates, maximum negotiated rates, and cash for all items and services, including individual items and services and service packages, that could be provided by a hospital to a patient, among other related requirements.

The price transparency rule may result in competitively sensitive rate information becoming available to competing hospitals and insurers as well as employer sponsors of group health plans, which could lead to market distortions and possible anti-competitive effects that could impact hospital rates and revenue. Publication of hospital standard charges (including negotiated rates) as required may result in changes to consumer choice in a manner that may negatively impact the District. Accordingly, compliance with these requirements could have a material adverse financial or operational impact on the District.

As part of the Consolidated Appropriations Act, 2021, Congress passed legislation aimed at preventing or limiting patient balance billing in certain circumstances. The legislation addresses surprise medical bills stemming from emergency services, out-of-network ancillary providers at in-network facilities, and air ambulance carriers. The legislation prohibits surprise billing when out-of-network emergency services or out-of-network services at an in-network facility are provided, unless informed consent is received. In these circumstances providers are prohibited from billing the patient for any amounts that exceed in-network cost-sharing requirements. Insurers and providers would have 30 days to negotiate in a private and voluntary process to resolve payment disputes. If no agreement is reached, independent dispute resolution ("IDR") may be sought for a binding determination, not eligible for judicial review. CMS regulations and guidance implementing the IDR process has been subject to a significant amount of provider-initiated litigation. As a result, portions of those regulations and guidance materials have been vacated by a federal district court, causing CMS to, on several occasions, pause and resume IDR process operations, causing significant delay in the processing of claims. Additionally, arguments made by the plaintiffs in such litigation have included allegations that CMS's regulations and guidance materials are favorable to payers. For these reasons, there can be no assurances that the District will receive timely payments in connection with this process.

Budgetary Pressure for Medicare and Medicaid Funding. Medicare and Medicaid are government-sponsored programs. Funding for those programs is subject to the legislative process of federal and state governments. The spending policies or deficit reduction initiatives of those governments have resulted in significant reductions in reimbursement for health care services in the past and can be expected to apply pressure on reimbursement for the foreseeable future. For example, the OBBBA's tax cuts could result in substantial reductions in Medicaid funding. Such reductions could threaten the financial stability of health care providers, including hospitals.

Competition from Other Providers. The health care industry is highly competitive. Construction of new facilities in the District's market can have an adverse effect on utilization of the District's facilities. Payors for health care services, including private insurers, may form "closed" or "narrow" networks or policies that restrict payment for services only to certain providers in a coverage area. Exclusion of the District from such networks can have a significant negative impact on utilization at the District's facilities.

Physician Recruitment. A patient's physician has an important role in determining where that patient seeks health care services. Thus, it is important that the District maintain a high quality medical staff with a mix of primary care and specialty physicians that meet the needs of patients. The medical staff may be comprised of independent physicians or employed physicians. The District has pursued a strategy of employing physicians to enhance the availability of high quality physicians to meet the needs of patients and their insurers. The District utilizes a comprehensive recruitment and retention strategy for physicians, which includes a scholarship program, residency recruitment stipends, commencement stipends upon hire, and ongoing retention stipends. These incentives serve as financial recognition of the physician's value and are contingent upon a commitment to employment with the District. With the forthcoming construction of the new hospital and rural health clinic, the District is seeing heightened interest in employment from physicians outside the area, including specialty physicians.

Shortage of Clinical Professionals. From time to time, and significantly since the COVID-19 pandemic, a shortage of physicians and nursing and other technical personnel has occurred, which may have its primary impact on hospitals. Various studies have predicted that physician and nursing shortages will become more acute over time and grow to significant proportions. The District's operations, patient and physician satisfaction, financial condition and future growth have been and could continue to be negatively affected by physician and nursing and other technical personnel shortages, resulting in material adverse impact to hospitals.

Labor Costs and Disruption. Hospitals are labor intensive. Labor costs, including salary, benefits and other liabilities associated with the workforce, are a significant component of hospital expenses and therefore have significant impact on hospital operations and financial condition. Overall costs of the hospital workforce have increased significantly since the COVID-19 pandemic, and turnover continues to be high in some nursing positions. Pressure to recruit, train and retain qualified employees is expected to continue to accelerate. The District's employee retention strategies are described in APPENDIX A. Those strategies include scholarship programs, recruitment outreach to local schools and colleges, on-the-job training and internships, and partnerships with workforce agencies. Continuing education and licensing are covered expenses for positions that require and maintain such credentials.

Government Fraud Enforcement. Fraud in government funded health care programs is a significant concern of federal and state governmental agencies which regulate the District. The federal government and, to a lesser degree, state governments impose a wide variety of extraordinarily complex and technical requirements intended to prevent over-utilization or excess charges based on economic inducements, misallocation of expenses, overcharging and other forms of fraud in the Medicare and Medicaid programs as well as other state and federally-funded health care programs.

Federal enforcement priorities have intensified. In May 2025, the Department of Justice ("DOJ") announced a white collar enforcement plan prioritizing waste, fraud and abuse in federal health care programs and encouraging efficient investigations and self disclosure. In June 2025, DOJ reported the largest health care fraud takedown in U.S. history, charging over 300 individuals in schemes involving approximately $14.6 billion. The DOJ also launched the Health Care Fraud Data Fusion Center, leveraging AI and real-time analytics to identify anomalies, significantly increasing enforcement risk for providers of all sizes. These developments indicate that criminal and civil enforcement actions may increase and could expose providers to heightened investigative risk, potential monetary penalties and mandated compliance obligations.

Violations and Sanctions. Federal or state governments or private "whistleblowers" often pursue aggressive investigative and enforcement actions. The government has a wide array of civil, criminal and monetary penalties which can be imposed for violations, including withholding essential hospital and other health care provider payments from the Medicare or Medicaid programs, or exclusion from those programs. Aggressive investigation and prosecutorial tactics, negative publicity, and threatened penalties of a catastrophic nature can be, and often are, used

to force settlements, payment of fines, and impose prospective restrictions that may have a materially adverse impact on hospital and other health care provider operations, financial condition and reputation. These risks are generally uninsured.

Management of the District will continue to analyze the ACA and any modified or replacement legislation in order to assess its effects on current and projected operations, financial performance and financial condition. However, management cannot predict with any reasonable degree of certainty or reliability any interim or ultimate effects of any such legislation.

Fraud and Abuse Provisions. As noted above under "Government Fraud Enforcement" and "Violations and Sanctions," healthcare providers, including the facilities operated by the District, are under increasing scrutiny relating to their participation in, and reimbursements from, government programs, including Medicare and Medicaid. These statutes include:

- the federal "Anti-Kickback Law" which is a felony criminal statute that prohibits anyone from knowingly and willfully soliciting, receiving, offering or paying for, among other things, a referral (or to induce a referral) for any item or service that may be paid by any federal or state health care program;

- the federal "Stark Law," which prohibits, among other things, the referral by a physician of Medicare/Medicaid patients for certain designated health services to entities with which the referring physician has a financial relationship, unless the relationship fits within a stated statutory or regulatory exception; and

- similar Louisiana statutes.

The Anti-Kickback Law, the Stark Law and similar Louisiana laws are very detailed and complex. Violations of these laws can be prosecuted either criminally or civilly and may result in substantial fines for each violation, sometimes on a treble basis. Violation or alleged violation of the Anti-Kickback Law or the Stark Law can result in settlements that require large repayments or penalties, compliance agreements and, potentially, exclusion from participation in federal or state health care programs like Medicare and Medicaid.

False Claims Act. The federal False Claims Act ("FCA") makes it illegal to submit or present a false, fictitious or fraudulent claim to the federal government, and may include claims that are simply erroneous. FCA investigations and resulting cases have become common in the healthcare field and may cover a wide range of activities from intentionally inflated billings, to highly technical billing and coding infractions, to allegations of inadequate care. Violation or alleged violation of the FCA can result in settlements that require multimillion dollar payments and compliance agreements with the federal government. The FCA also permits individuals to initiate civil actions on behalf of the government in lawsuits called "qui tam" actions. Qui tam plaintiffs, or "whistleblowers," can share in the damages recovered by the government or recover independently if the government does not participate. The FCA has become one of the government's primary weapons against healthcare fraud. FCA violations or alleged violations can lead to settlements, fines, exclusion from participation in the Medicare/Medicaid program or reputation damage that could have a material adverse impact on a hospital or other healthcare provider.

On May 20, 2009, the Fraud Enforcement and Recovery Act ("FERA") was signed into law, which expands the reach of the FCA and strengthens the government's ability to combat health care and other program fraud. A health care provider now may face severe penalties for the knowing retention of government overpayments even though the provider or contractor made no false or improper claim for such payments. Under FERA, the FCA now applies even if a false claim was not submitted directly to the government. In addition, FERA enhances whistleblowers' ability to investigate alleged FCA violations and provides them enhanced protections.

In addition, the Civil Money Penalties law under the Social Security Act ("CMP Law") provides for the imposition of civil money penalties against any person who submits a claim to Medicare, Medicaid or any other federal health care program that the person knows or should know is for items or services not provided as claimed, is false or fraudulent, is for services provided by an unlicensed or uncertified physician or by an excluded person, or represents

a pattern of claims that are based on a billing code higher than the level of service provided or are for services that are not medically necessary. Penalties under the CMP Law include up to $50,000 for each item or service claimed, and damages of up to three times the amount claimed for each item or service, and exclusion from participation in the federal health care programs. The Program Fraud and Civil Remedies Act ("PFCRA") also creates administrative remedies for making false claims and false statements. These penalties are in addition to any liability that may be imposed under the False Claims Act.

Recent federal legislation creates financial incentives for states to enact analogous state false claims acts. This legislation also imposes financial penalties on any state that does not require healthcare providers receiving more than $5 million in annual Medicaid revenues to adopt policies about the elements of both federal and state false claim acts and their strategies for detecting and preventing fraud, waste and abuse.

Enforcement trends in healthcare fraud and abuse continue to evolve, with a notable increase in qui tam (whistleblower) actions under the federal False Claims Act and analogous state statutes. Recent years have seen a rise in private individuals initiating lawsuits on behalf of the government, often resulting in substantial settlements and heightened compliance scrutiny for providers. Additionally, judicial interpretations of key healthcare statutes—including the Anti-Kickback Statute and the Stark Law—are shifting in light of the Supreme Court's 2024 decision in Loper Bright Enterprises v. Raimondo, which curtailed judicial deference to federal agency interpretations. As a result, courts are now more likely to independently interpret statutory language, increasing legal uncertainty and the risk of divergent outcomes in enforcement actions.

The threats of large monetary penalties and exclusion from participation in Medicare, Medicaid and other federal health care programs, and the significant costs of mounting a defense, may create pressures on providers that are targets of false claims actions or investigations to settle. Therefore, an action under the False Claims Act, CMP Law or PFCRA, or similar state laws, could have a material and adverse financial impact on the District, regardless of the merits of the case.

Privacy and Security of Health Information; Privacy Requirements. The Health Insurance Portability and Accountability Act of 1996, or HIPAA, adds additional criminal sanctions for health care fraud and applies to all health care benefit programs, whether public or private. Additionally, other federal laws and state laws address the confidentiality of individuals' health information. HIPAA also provides for punishment of a health care provider for knowingly and willfully embezzling, stealing, converting or intentionally misapplying any money, funds or other assets of a health care benefit program. A health care provider convicted of health care fraud could be excluded from Medicare or Medicaid. HIPAA also addresses the confidentiality of individuals' health information. Disclosure of certain broadly defined protected health information is prohibited unless expressly permitted under the provisions of the HIPAA statute and regulations or authorized by the patient. Compliance with these rules adds costs and can create potentially unanticipated sources of legal liability.

HIPAA imposes civil monetary penalties for violations and criminal penalties for obtaining or using individually identifiable health information. Such penalties range from $100 to a maximum $50,000 per violation and/or imprisonment, depending on the violator's degree of intent and the extent of the harm resulting from the violation. The maximum penalty for violations of the same HIPAA provision in a calendar year is $1,500,000.

Provisions in the Health Information Technology for Economic and Clinical Health Act (the "HITECH Act"), enacted as part of the American Recovery and Reinvestment Act of 2009, increase the maximum civil monetary penalties for violations of HIPAA and grant enforcement authority of HIPAA to state attorneys general. The HITECH Act also (i) extends the reach of HIPAA beyond "covered entities," (ii) imposes a breach notification requirement on HIPAA covered entities, (iii) limits certain uses and disclosures of individually identifiable health information, and (iv) restricts covered entities' marketing communications.

The HITECH Act also established programs under Medicare and Medicaid to provide incentive payments for the "meaningful use" of certified electronic health record ("EHR") technology. Hospitals and physicians who have not satisfied the performance and reporting criteria for demonstrating meaningful use of EHR technology will have their Medicare payments significantly reduced.

Security Breaches and Unauthorized Releases of Personal Information. Federal, state and local authorities are increasingly focused on the importance of protecting the confidentiality of individuals' personal information, including patient health information. Many states have enacted laws requiring businesses to notify individuals of security breaches that result in the unauthorized release of personal information. Notification requirements may be triggered even where information has not been used or disclosed, but rather has been inappropriately accessed. State consumer protection laws may also provide the basis for legal action for privacy and security breaches and frequently, unlike HIPAA, authorize a private right of action. Failure to comply with restrictions on patient privacy or to maintain robust information security safeguards, including taking steps to ensure that contractors who have access to sensitive patient information maintain the confidentiality of such information, could consequently damage a health care provider's reputation and materially adversely affect business operations.

Trend Toward Large-Deductible Insurance Policies. Coverage provided by insurance is trending toward large deductibles or self-insurance retention for patients, which reduces the required premiums, but increases out-of-pocket expense for the insured. These large deductible policies can be expected to increase the challenge of collecting for services rendered and may result in an increase of bad debt expense for health care providers.

COVID-19 or Other Public Health Emergencies. The occurrence of a public health emergency, including a widespread outbreak of an infectious disease, including, but not limited to, COVID-19, Ebola, Zika, or H1N1, may put stress on the capacity of all or a part of the District's health care facilities, could result in an abnormally high demand for health care services, require that resources be diverted from one part of operations of the District to another part, disrupt the supply chain for equipment and supplies necessary for the operation of the District's facilities or impair the operation of part or all of the District's facilities.

The COVID-19 pandemic had significant negative effects on the economy generally as well as direct health care related consequences. The pandemic resulted in volatility in equity markets and the public markets for the issuance and trading of all securities. The effect of any future public health emergency or crisis on the District's operations and finances could be material and cannot be predicted at this time.

Federal and state legislation passed in response to the COVID-19 pandemic created programs to distribute funds through grants or other mechanisms to eligible providers for healthcare related expenses or lost revenues that are attributable to COVID-19. Federal and state authorities are expected to maintain robust audit programs to ensure compliance with the terms and conditions of such funds. Failure to comply with such conditions could result in penalty assessments, fines and other punitive action.

Licenses, Certificates and Accreditations. The health care facilities of the District are subject to regulatory action and policy changes by governmental and private agencies that administer Medicare, Medicaid and third-party payment programs, as well as action by, among others, certain accrediting organizations and other federal, state and local government agencies. Adverse actions in any of these areas could result in a reduction in utilization, revenues or both, or the inability of the District to operate all or a portion of such facilities, and, consequently, could adversely affect the financial condition of the District.

Other Factors Affecting the Health Care Industry. In addition to the factors discussed above, the following additional factors, among others, may adversely affect the operations of health care providers, including the District:

- Increased efforts by insurers, private employers and governmental agencies to limit the cost of hospital services, to reduce the number of hospital beds and to reduce utilization of hospital facilities by such means as preventive medicine, improved occupational health and safety, and outpatient care.

- Termination of existing agreements between a provider and employed physicians who render services to the provider's patients, or alteration of referral patterns by independent physicians and physician groups.

- The availability and cost of insurance or self-insurance to protect against malpractice and general liability claims.

- Environmental and hazardous waste disposal regulations.
- The reduced need for hospitalization or other traditional health care services as a result of medical and other scientific advances.
- Imposition of wage and price controls for the health care industry.
- The availability of or cost of retaining nursing, technical or other health care personnel.
- Reduction in population, increased unemployment or other adverse economic conditions in the market.
- Increased costs resulting from unionization of employees or utilization of proceedings under the National Labor Relations Act by non-union employees.
- Difficulty in finding a buyer or lessee for special-purpose health care facilities due to design, construction, zoning, and other factors.
- Inability to obtain future governmental approvals for additional projects necessary to remain competitive, or limitations on tax-exempt or other financing for future projects.
- Occurrence of natural disasters or criminal/terrorist acts that could damage facilities, interrupt utility service, or impair operations and revenue generation, along with potential insurance coverage failure.
- Changes in key management personnel.

Emerging Technologies and Innovation. The healthcare industry is experiencing a transformative shift with the advent of emerging technologies such as telemedicine and artificial intelligence (AI). These innovations present both opportunities and risks that may adversely affect the operations of health care providers, including the District.

Telemedicine. Telemedicine has revolutionized patient care by enabling remote consultations, thereby increasing access to healthcare services, especially in underserved areas. However, it also introduces new risks related to the quality of care, patient privacy, and data security. The reliance on digital platforms for telemedicine necessitates robust cybersecurity measures to protect sensitive patient information from unauthorized access and breaches.

Artificial Intelligence. Artificial intelligence is being increasingly utilized in diagnostics, treatment planning, and patient monitoring. While AI can enhance the accuracy and efficiency of healthcare delivery, it also poses risks related to algorithmic bias, data privacy, and the potential for errors in AI-driven decision-making processes.

State Regulation

The State of Louisiana (the "State") has a number of laws and policies that could adversely affect the business prospects of the District or could have an adverse effect on the District if enforcement of penalties for violations of such laws were to occur. Among those factors are the following:

Louisiana Certificate of Need. Louisiana does not currently have a certificate of need law in connection with the constructing and equipping of acute care healthcare facilities. Accordingly, except with respect to nursing home facilities, there are no regulatory limitations on the construction of facilities that may compete with the District's facilities, although such facilities may provide duplicate services and facilities.

Medicaid Initiatives-Healthy Louisiana. In 2012, DHH launched a complete overhaul of its legacy Medicaid system for delivery of acute care services, which resulted in the State's first managed care system for approximately one million Medicaid enrollees. Known as "Healthy Louisiana," this delivery system has been adopted statewide, and care for enrollees is coordinated by one of five private, managed care health plans. Initially, Healthy Louisiana

consisted of two models - prepaid and shared savings. The prepaid model involves traditional, risk-bearing managed care, pursuant to which the health plan receives a monthly capitated fee for each member enrolled to provide core benefits and services. By contrast, the shared savings model contemplates that in addition to monthly fees for enrolled members, the health plan also has the opportunity to share in savings to the State that result from improved coordination of care. However, in 2015 the State abandoned the shared savings model and transitioned solely to the more traditional, prepaid, risk-bearing model. Health plans participating in Healthy Louisiana typically use discounts and other economic incentives to manage the cost and utilization of health care services. It is not possible to predict the impact of the implementation of Healthy Louisiana on the revenues or operations of the District.

Louisiana Medicaid Expenditures. The total annual expenditure for the Louisiana Medicaid program is limited by the State legislature in the general appropriations bills. The amount and availability of funds needed to pay for services provided to Medicaid beneficiaries also hinges on, among other things, the Federal Matching Assistance Percentage ("FMAP"). The FMAP establishes the amount of federal matching dollars that are contributed to State Medicaid expenditures. If the State appropriates insufficient funds to the Medicaid program, this creates risk that payments for Medicaid services will be withheld, reduced, or delayed. Further, the FMAP is subject to change on an annual basis. Louisiana also levies an assessment on hospitals for purposes of funding a portion of the State's Medicaid costs, including those costs associated with the expansion of the Medicaid program.

Louisiana Hospital Licensing Law. The Louisiana Hospital Licensing Law (the "Licensing Law") requires licensed hospitals that are funded in part by tax-exempt bonds and which offer emergency services to provide such services on standards similar to EMTALA. A hospital violating this requirement will be denied further referrals from the State's Department of Health. The Licensing Law also prohibits medical staff, officers and employees of any licensed hospital from denying emergency services available at the hospital based on inability to pay, race, religion or national ancestry, and requires all licensed hospitals to inform their medical staff of the prohibition. Violation by hospital employees of the Licensing Law may be subjected to fines and suspension or termination of participation in State medical assistance programs. Substantial failure of a hospital to comply with the Licensing Law could result in suspension or revocation of the hospital's license. The future cost of such mandatory free care could be material. The District's management cannot predict the future impact of providing care required by EMTALA or the Licensing Law.

State Children's Health Insurance Program. The State Children's Health Insurance Program ("SCHIP") is a federally funded insurance program for children whose families are financially ineligible for Medicaid, but cannot afford commercial health insurance. CMS administers SCHIP, but each state creates its own program based upon minimum federal guidelines. SCHIP insurance is provided through private health plans contracting with the state. Each state must periodically submit its SCHIP plan to CMS for review to determine if it meets the federal requirements. If it does not meet the federal requirements, a state can lose its federal funding for the program. Any such loss of funding or federal or state budget cuts to the program could have an adverse effect on provider revenues.

In 2018, Congress extended federal funding for SCHIP through federal fiscal year 2027. Legislative action will be required to extend federal funding past that date. When such funding expires there can be no assurances that funding for an increase will be reestablished at either a state or federal level, or that professional and facility reimbursement rates will not subsequently be reduced in efforts to manage costs.

Louisiana Anti-Kickback Law. Similar to the federal Anti-Kickback Law, Louisiana laws prohibit anyone from soliciting, receiving, offering or paying for, among other things, a referral for health care services. In addition, Louisiana anti-referral laws prohibit physicians from referring patients for health care services to a health care entity in which the physician has an investment interest, unless the physician is an owner of the entity and performs the health care services at that entity, or the investment interest satisfies one of the statutory exceptions. These state laws may be enforced for activities related to services payable by governmental entities and private payors. Generally, exceptions to these prohibitions mirror the federal counterparts described, though Louisiana law has enumerated additional exceptions for circumstances relating to discounts employer-employee transactions, and vendor payments to purchasing agents. Violations of these prohibitions may subject the entity to criminal and civil penalties.

Antitrust

Antitrust liability may arise in a wide variety of circumstances, including medical staff privilege disputes, contracting with commercial insurers, Managed Care Organizations and other third party payors, physician relations,

joint ventures, merger, affiliation and acquisition activities and certain pricing or salary setting activities, as well as other areas of activity. The application of the federal and state antitrust laws to health care is still evolving, and enforcement activity by federal and state agencies appears to be increasing. Violators of the antitrust laws may be subject to criminal and/or civil enforcement by federal and state agencies, as well as by private litigants in certain instances. At various times, the District may be subject to an investigation or inquiry 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. Common areas of potential liability are joint action among providers with respect to third party payor contracting and medical staff credentialing. With respect to third party payor contracting, the District may, from time to time, be involved in joint contracting activity with hospitals, physicians or other providers. The precise degree, if any, to which this or similar joint contracting activities may expose the participants to antitrust risk is dependent on a myriad of factual matters. Physicians who are subject to adverse peer review proceedings may file federal antitrust actions against hospitals and seek treble damages. Health care providers, including the District, on occasion may have disputes regarding credentialing and peer review, and therefore could be subject to liability in this area. In addition, health care providers occasionally indemnify medical staff members who are involved in such credentialing or peer review activities, and may, therefore, also be liable with respect to such indemnity.

Another potential area of liability is merger and affiliation activity if a hospital's market power becomes too great. In addition, the creation of market power or monopoly power through contracting with a high percentage of physicians within a given market may result in antitrust risks.

Information Systems

The ability of the District to price and bill for healthcare services on a timely basis and meet its obligations to protect personal information depends on the integrity of the data stored within information systems, as well as the operability of such systems. Information systems require an ongoing commitment of significant resources to maintain, protect and enhance existing systems and develop new systems to keep pace with continuing changes in information processing technology and regulatory standards. There can be no assurance that efforts to upgrade and expand information systems capabilities, and to protect and enhance these systems, and develop new systems to keep pace with continuing changes in information processing technology will be successful or that additional systems issues will not arise in the future.

The use of electronic media is standard for clinical operations, medical records and order entry functions. The reliance on information technology for these purposes imposes new expectations on physicians and other workforce members to be adept in using and managing electronic systems. It also introduces risks related to patient safety, and to the privacy, security, accessibility and integrity of health information. Technology malfunctions or failure to understand and use information systems properly could result in the dissemination of or reliance on inaccurate information, as well as in disputes with patients, physicians and other health care professionals. Health information systems may also be subject to different or higher standards or greater regulation than other information technology or the paper-based systems previously used by healthcare providers, which may increase the cost, complexity and risks of operations. All of these risks may have adverse consequences on hospitals and healthcare providers.

Future government regulation and adherence to technological advances could result in an increased need to implement new technology. Such implementation could be costly and is subject to cost overruns and delays in application, which could have a material adverse effect on the District.

Cybersecurity

The District is dependent on electronic information technology systems to deliver high quality, coordinated and cost-efficient services. These systems may contain sensitive information or support critical operational functions which may be valued for unauthorized purposes. As a result, the electronic systems and networks of the District may be targets of cyberattack. The District has taken, and continues to take, measures to protect its information technology systems, and the private, confidential information that those systems may contain, against cyberattack. While the District employs information technology professionals and utilizes operational safeguards that are tested periodically, no assurance can be given that such measures will protect the District against all cybersecurity threats or attacks or the severity or consequences of any such attack. services. Any breach or cyberattack that compromises patient data

could result in negative press and substantial fines or penalties for violation of HIPAA or similar state privacy laws. The availability of funds to pay debt service on the Notes is likewise dependent upon the technology systems of various third parties, including financial institutions, over which the District has no control.

Construction Risks

The District engaged in a "Construction Manager at Risk" process for the Project. In connection therewith, the District has retained Grace Design Studios, LLC ("Grace") to serve as architects for the Project and The Lemoine Company, LLC ("Lemoine") to serve as the construction manager. The District and Lemoine have agreed to a guaranteed maximum price contract for the Project at a cost of approximately $59,711,288.00[*]; however, change orders which increase the cost of the Project may be approved by the District. The entire construction cost of the Project, including architectural, engineering and construction management costs, furnishings and equipment and a contingency is anticipated to be approximately $83,511,288.00[*]. The total costs of the Project, including capitalized interest and costs relating to the issuance of the Notes are anticipated to be approximately $90,950,000[†]. See "PLAN OR FINANCE – Estimated Sources and Uses of Funds" herein.

The District intends to use the proceeds it receives from the Notes, the Bank Loan Bonds, the NMTC Transactions, and its own funds for construction of the Project. If the costs of construction of the Project exceed the proceeds of the Notes, the District would be required to contribute additional moneys to complete such construction or reduce the scope of such construction accordingly. In addition, there can be no assurances that such construction will be completed on schedule or that such construction or management by the District will be successful. See "PLAN OF FINANCE" herein and APPENDIX A.

No Ratings

The Notes are non-rated and do not carry ratings from any agency. See "NO RATINGS" herein.

Impact of Weather Events and Climate Change on the District's Facilities and Operations

The State of Louisiana is located along the Gulf of Mexico with a topography that includes a number of low-lying areas and eight different watershed regions. As a result, the State and District are susceptible to flooding from rain and tropical events. In recent years, Hurricanes Isaac, Harvey, Laura and Delta, along with less intense tropical storms and tropical depressions, have impacted the State, and multiple non-tropical rain and snow events have resulted in State and federal emergency declarations in many parishes. These events, along with rising sea levels and unrelated economic activities, have accelerated the erosion of the State's coastline, jeopardizing the State's natural protection system and imposing additional environmental risk on the State.

To mitigate the severity and impact of future events, the State is leading a coordinated effort with the United States federal government, various state agencies, and local government entities. The State created the Coastal Protection and Restoration Authority ("CPRA"; www.coastal.la.gov) in December 2005 to focus development and implementation efforts to achieve comprehensive coastal protection for Louisiana. The State launched the Louisiana Watershed Initiative ("LWI"; www.watershed.la.gov) that introduced a new watershed-based approach to reducing flood risk in Louisiana. CPRA and LWI are collectively responsible for coordinating the investment of hundreds of billions of dollars in environmental protection activities in the State. This investment is designed to enhance the sustainability of the entire State, including the District; however, the District cannot guarantee the effect or ultimate success of such efforts, and there can be no assurance that future such events, some resulting in future catastrophic damage and flooding, will not occur. Such events could adversely affect the finances or operations of the District.

Property Insurance

The cost and availability of insurance coverage for various risks associated with the operations of the District can vary from year to year based on factors such as general claims experience in the insurance market or claims in the

[*] Preliminary; subject to change.
[†] Preliminary; subject to change.

area where the operations of the District are conducted. For example, the availability of hurricane, windstorm or flood insurance in the District's service area may be limited and the cost of such insurance may increase.

Damage or Destruction

Although the District will be required to obtain certain kinds of insurance as set forth in the Note Resolution, there can be no assurance that the District will not suffer uninsured losses in the event of damage to or destruction of the Hospital due to fire or other calamity or in the event of other unforeseen calamities. See "THE NOTES — Covenants — Insurance" herein for a description of the insurance provisions required by the Note Resolution.

Approval of the Louisiana State Bond Commission

The State Bond Commission previously approved the issuance of the Notes. The State Bond Commission expressly provides that said approval does not constitute a recommendation, approval or sanction by the State Bond Commission or the State of the investment quality of the Notes and does not constitute any guaranty of repayment of the Notes by the State Bond Commission or the State. The approval of the Notes by the State Bond Commission should not be relied upon by any prospective purchaser of the Notes as advice. The written approval of the State Bond Commission expressly states that neither it nor the State shall have any liability or legal responsibility to investors arising out of, related to, or connected with the approval of the Notes.

Malpractice and General Liability Claims

In recent years, the number of malpractice and general liability suits and the dollar amounts of damage awards have increased nationwide, resulting in substantial increases in malpractice insurance premiums. Malpractice insurance generally does not provide coverage for punitive damages, which are available to plaintiffs under Louisiana law and are often sought in malpractice cases. Litigation may also arise against the District from its corporate and business activities, such as its status as an employer. While the District maintains professional liability and general liability insurance coverage (see APPENDIX A), the District is unable to predict the availability or cost of such insurance in the future. In addition, the bankruptcy or insolvency of an insurance company which provides insurance coverage to the District would cause the District to be at risk for claims which would have been covered by such insurance without adequate liabilities having been recorded on the balance sheet.

Amendments to Documents

Certain minor amendments to the Note Resolution are permitted without the consent of the Noteholders. Certain other amendments to the Note Resolution may be made with the consent of the holders of 2/3 in principal amount of the Notes then outstanding, except that such amendments may not permit, or be construed as permitting (without the consent of the holders of 100% in principal amount of the Notes): (a) a change in the times, amounts or currency of payment of the principal of or interest on, any Note, a change in the terms of the purchase of Notes pursuant to the Note Resolution, or a reduction in the principal amount or redemption price of any Note or a change in the method of determining the rate of interest thereon; (b) the creation of a claim or lien upon, or a pledge of, the Net Revenues ranking prior to or on a parity with the claim, lien or pledge created by the Note Resolution; (c) a preference or priority of any Note or Notes over any other Note or Notes; or (d) a reduction in the aggregate principal amount of Notes the consent of the Owners of which is required for any such Supplemental Note Resolution. See APPENDIX D.

Redemption Prior to Maturity

In considering whether to make an investment in the Notes, potential investors should consider the information included in this Official Statement under the heading "THE NOTES — Redemption." The Notes are subject to redemption at the option of the District at any time.

Book-Entry

Persons who purchase Notes through a DTC Participant become creditors of the DTC Participant with respect to the Notes. Records of the investors' holdings are maintained only by the DTC Participant and the investor. In the event of the insolvency of the DTC Participant, the investor would be required to look to the DTC Participant's estate and to any insurance maintained by the DTC Participant to make good the investor's loss. Neither the District, the Trustee, nor the Underwriter is responsible for failures to act by, or insolvencies of, the Securities Depository or any DTC Participant. See "THE NOTES -- Book-Entry Only System" herein.

LEGAL MATTERS

No litigation has been filed questioning the validity of the Notes or the security therefor and a certificate to that effect will be delivered by the District to the Underwriter upon the issuance of the Notes.

The approving opinion of Foley & Judell, L.L.P., Bond Counsel, is limited to the matters set forth therein, and Bond Counsel is not passing upon the accuracy or completeness of this Official Statement. Bond Counsel's opinion is based on existing law, which is subject to change. Such opinion is further based on certifications and factual representations made as of the date thereof. Bond Counsel assumes no duty to update or supplement its opinion to reflect any facts or circumstances that may thereafter come to Bond Counsel's attention, or to reflect any changes in law that may thereafter occur or become effective. Moreover, Bond Counsel's opinion is not a guarantee of a particular result and is not binding on the Internal Revenue Service or the courts; rather, such opinion represents Bond Counsel's professional judgment based on its review of existing law and in reliance on the representations and covenants that it deems relevant to such opinion.

A manually executed original of such opinion will be delivered to the Underwriter on the date of payment for and delivery of the Notes. The proposed form of said legal opinion appears in APPENDIX F to this Official Statement. For additional information regarding the opinion of Bond Counsel, see the preceding section titled "TAX EXEMPTION." The compensation of Bond Counsel is contingent upon the sale and delivery of the Notes.

Certain legal matters will be passed upon for the Underwriter by its counsel, Maynard Nexsen PC, Birmingham, Alabama.

TAX EXEMPTION

General

In the opinion of Foley & Judell, L.L.P., Bond Counsel, interest on the Notes is excludable from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code") and is not a specific item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; however, such interest may be taken into account for the purpose of computing the alternative minimum tax imposed on certain corporations. See also APPENDIX F attached hereto.

The opinion of Bond Counsel will state that pursuant to the Act, the Notes and the interest or other income thereon or with respect thereto shall be exempt from all income tax and other taxation in the State. See APPENDIX F attached hereto. Each prospective purchaser of the Notes should consult his or her own tax advisor as to the status of interest on the Notes under the tax laws of any state other than the State.

Except as stated above, Bond Counsel expresses no opinion as to any federal, state or local tax consequences resulting from the ownership or disposition of, or the accrual or receipt of interest on, the Notes.

The Code imposes a number of requirements that must be satisfied for interest on state and local obligations to be excluded from gross income for federal income tax purposes. These requirements include limitations on the use of Note proceeds and the source of repayment of Notes, limitations on the investment of Note proceeds prior to expenditure, a requirement that excess arbitrage earned on the investment of certain Note proceeds be paid periodically

to the United States, except under certain circumstances, and a requirement that information reports be filed with the Internal Revenue Service.

The opinion of Bond Counsel will assume continuing compliance with the covenants of the District and others pertaining to those sections of the Code which affect the exclusion from gross income of interest on the Notes for federal income tax purposes and, in addition, will rely on certifications and representations by officials of the District and others with respect to matters solely within their respective knowledge, which Bond Counsel has not independently verified. If the District should fail to comply with the covenants in the Note Resolution, or if the foregoing representations should be determined to be inaccurate or incomplete, interest on the Notes could become included in gross income from the date of original delivery of the Notes, regardless of the date on which the event causing such inclusion occurs. The Note Resolution does not provide for any adjustment in the interest rate or after-tax return on the Notes in the event of any change in the tax-exempt status of interest on the Notes.

Owners of the Notes should be aware that (i) the ownership of tax-exempt obligations, such as the Notes, may result in collateral federal income tax consequences to certain taxpayers and (ii) certain other federal, state and/or local tax consequences may also arise from the ownership and disposition of the Notes or the receipt of interest on the Notes. Furthermore, future laws and/or regulations enacted by federal, state or local authorities may affect certain owners of the Notes. All prospective purchasers of the Notes should consult their legal and tax advisors regarding the applicability of such laws and regulations and the effect that the purchase and ownership of the Notes may have on their particular financial situation.

Owners of the Notes are also advised that the Internal Revenue Service may initiate an audit of the Notes. The Owners of the Notes may have limited rights to participate in any audit proceedings. The commencement of such an audit could adversely affect the market value and liquidity of the Notes until the audit is concluded, regardless of the ultimate outcome. Further, an adverse determination by the Internal Revenue Service with respect to the tax-exempt status of interest on the Notes may adversely affect the availability of any secondary market for the Notes. Should interest on the Notes become includable in gross income for federal income tax purposes, not only will Owners of Notes be required to pay income taxes on the interest received on such Notes and related penalties, but because the interest rate on such Notes will not be adequate to compensate Owners of the Notes for the income taxes due on such interest, the value of the Notes may decline.

Alternative Minimum Tax Consideration

Interest on the Notes is not a specific item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; however, such interest may be taken into account for the purposes of computing the alternative minimum tax imposed on certain corporations.

Tax Treatment of Original Issue Premium

The Notes may be offered and sold to the public at a price in excess of their stated principal amounts. Such excess is characterized as a "bond premium" and must be amortized by an investor purchasing a Note on a constant yield basis over the remaining term of the Note in a manner that takes into account potential call dates and call prices. An investor cannot deduct amortized bond premium related to a tax-exempt Note for federal income tax purposes. However, as bond premium is amortized, it reduces the investor's basis in the Note. Investors who purchase a Note should consult their own tax advisors regarding the amortization of bond premium and its effect on the Note's basis for purposes of computing gain or loss in connection with the sale, exchange, redemption or early retirement of the Note.

Tax Treatment of Original Issue Discount

The Notes may be offered and sold to the public at a price less than their stated principal amounts. The difference between the initial public offering prices and their stated amounts constitutes original issue discount treated as interest which is excluded from gross income for federal income tax purposes and which is exempt from all present State taxation subject to the caveats and provisions described herein. Owners of Notes should consult their own tax advisors with respect to the determination for federal income tax purposes of original issue discount accrued with

respect to such Notes as of any date, including the date of disposition of any Note and with respect to the state and local consequences of owning Notes.

Changes in Federal and State Tax Law

From time to time, there are legislative proposals in Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to herein. In addition, such legislation (whether currently proposed, proposed in the future or enacted) could affect the market value or marketability of the Notes. Future Congressional proposals could also affect the Notes, even if never enacted. It cannot be predicted whether or in what form any such proposals might ultimately be enacted or whether if enacted such proposals would apply to Notes issued prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value of the Notes. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Notes or the market value thereof would be impacted thereby. Prospective purchasers of the Notes should consult their tax or investment advisors regarding any pending or proposed legislation, regulatory initiatives or litigation.

The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Notes, and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any pending or proposed federal or state tax legislation, regulations, or litigation.

THE FOREGOING DISCUSSION OF CERTAIN FEDERAL AND STATE INCOME TAX CONSEQUENCES IS PROVIDED FOR GENERAL INFORMATION ONLY. INVESTORS SHOULD CONSULT THEIR TAX OR INVESTMENT ADVISORS AS TO THE TAX CONSEQUENCES TO THEM IN LIGHT OF THEIR OWN PARTICULAR INCOME TAX POSITION, OF ACQUIRING, HOLDING OR DISPOSING OF THE NOTES.

NO RATINGS

The District has not made any completed application to a rating agency for a rating on the Notes. Prospective purchasers of the Notes are required to make independent determinations as to the credit quality of the Notes and their appropriateness as an investment.

FINANCIAL STATEMENTS

The financial statements of the District as of September 30, 2025 and 2024 and for the years then ended included in APPENDIX B to this Official Statement have been audited by Forvis Mazars, LLP, Dallas, Texas, independent auditors, as stated in their report appearing therein. Audited financial statements for prior fiscal years may be obtained from the Louisiana Legislative Auditor website (https://lla.la.gov/).

The financial statements of the District included in APPENDIX B to this Official Statement speak only as of September 30, 2025 and 2024 and have been included as a matter of public record. Forvis Mazars, LLP, Dallas, Texas, (1) has not been engaged to perform, and has not performed, any procedures with respect to such financial statements since the date of its report on such financial statements and (2) has not performed any procedures relating to this Official Statement. The permission of Forvis Mazars, LLP for the use herein of its report on such financial statements has not been sought.

UNDERWRITING

The Notes are being purchased by the Underwriter at a purchase price of $_____ (representing the principal amount of the Notes, [plus an original issue premium/less an original issue discount] of $_____, and less Underwriter's discount of $_____). The Note Purchase Agreement (the "Purchase Agreement") between the Underwriter and the District provides that the Underwriter will purchase all of the Notes if any are

purchased. The obligation of the Underwriter to accept delivery of the Notes is subject to various conditions contained in the Purchase Agreement.

The Underwriter intends to offer the Notes to the public initially at the prices set forth on the cover page of this Official Statement, which may subsequently change without any requirement or prior notice. The Underwriter reserves the right to join with dealers and other underwriters in offering the Notes to the public. The Underwriter may offer and sell the Notes to certain dealers at prices lower than the public offering prices. The Underwriter may also receive compensation for serving as bidding agent in conducting a competitive bid for the investment of some or all of the proceeds of the Notes.

The Underwriter is not acting as financial advisor to the District in connection with the offer and sale of the Notes.

The Underwriter and its affiliates comprise a full service financial institution engaged in 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. The Underwriter and its affiliates may have provided, and may in the future provide, a variety of these services to the District and to persons and entities with relationships with the District, for which they received or will receive customary fees and expenses.

In the ordinary course of these business activities, the Underwriter and its affiliates may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans 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 District (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the District.

The Underwriter and its 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 such assets, securities and instruments. Such investment and securities activities may involve securities and instruments of the District.

MUNICIPAL ADVISOR

The District has employed the firm of Trinity Capital Resources, LLC, Baton Rouge, Louisiana, to perform professional services in the capacity of municipal advisor (the "Municipal Advisor") in connection with the issuance of the Notes. In such capacity, the Municipal Advisor has reviewed and commented on certain legal documentation and provided recommendations and other financial guidance to the District with respect to the preparation of documents and the preparation for the sale of the Notes. Although the Municipal Advisor performed an active role in the drafting of this Official Statement, it has not audited, authenticated or otherwise independently verified the information set forth herein. No guaranty, warranty or other representation is made by the Municipal Advisor respecting such accuracy and completeness of information or any other matter related to such information and this Official Statement.

CONTINUING DISCLOSURE

The District will, pursuant to a continuing disclosure agreement to be dated the date of delivery of the Notes (the "Continuing Disclosure Agreement"), covenant for the benefit of owners of the Notes to provide (i) certain financial information and operating data relating to the District in each year on or before April 30 of each year, commencing April 30, 2027 (the "Annual Report"), and (ii) notices of the occurrence of certain enumerated events, called "Listed Events," in the future that may affect the District or the Notes. The Annual Reports and any notices of Listed Events required pursuant to the Continuing Disclosure Agreement will be filed with the MSRB through the Electronic Municipal Market Access website ("EMMA"). For the specific nature of the information to be contained in the Annual Report or the potential Listed Events, see APPENDIX G attached hereto. The District is entering into the Continuing Disclosure Agreement in order to assist the Underwriter in complying with Rule 15c2-12(b)(5) (the "Rule") of the U.S. Securities and Exchange Commission (the "SEC"). The District has not undertaken to provide all

information investors may desire to have in making decisions to hold, sell or buy the Notes and has no obligation to provide any information subsequent to the delivery of the Notes except as provided in the Continuing Disclosure Agreement. The failure of the District to comply with the terms of the Continuing Disclosure Agreement is not an event of default with respect to the Notes but may adversely affect the transferability and liquidity of the Notes and their market price.

Within the last five years, the District has had no prior undertakings pursuant to the Rule.

The District has established procedures to ensure proper filing of the reports and notices required by the Continuing Disclosure Agreement with the MSRB in the future. Furthermore, Section 39:1438 of the Louisiana Revised Statutes of 1950, as amended provides additional procedures designed to ensure compliance with the Continuing Disclosure Agreement by (i) requiring public entities, such as the District, to keep certain records demonstrating compliance with the Continuing Disclosure Agreement, and (ii) mandating the District's auditor, as part of the preparation of the District's annual financial audit, review the District's compliance with its continuing disclosure undertakings and record keeping requirements.

MISCELLANEOUS

The references herein to the Note Resolution and the Disclosure Agreement are brief outlines of certain provisions thereof. Such outlines do not purport to be complete and for full and complete statements of such provisions reference is made to the Note Resolution and the Disclosure Agreement. Copies of the documents mentioned under this heading are available at the office of the Underwriter, and following delivery of the Notes, will be on file at the office of the District.

Neither any advertisement of the Notes nor this Official Statement is to be construed as constituting an agreement with the purchasers of the Notes. 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.

The attached Appendices A, B, C, D, E, F and G are integral parts of this Official Statement and must be read together with all of the foregoing statements.

HOSPITAL SERVICE DISTRICT NO. 1A OF THE PARISH OF RICHLAND, STATE OF LOUISIANA

By: _____
Interim President and CEO

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APPENDIX A

INFORMATION REGARDING HOSPITAL SERVICE DISTRICT NO. 1A OF THE PARISH OF RICHLAND, STATE OF LOUISIANA

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INFORMATION REGARDING
HOSPITAL SERVICE DISTRICT NO. 1A OF THE PARISH OF RICHLAND
D.B.A. RICHLAND PARISH HOSPITAL OR DELHI HOSPITAL

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INTRODUCTION

Overview

Richland Parish Hospital. Hospital Service District No. 1A of the Parish of Richland (the "HSD" or "District") is a political subdivision of the Richland Parish Police Jury. The Delhi Clinic and Sanatorium was first started in 1936 by Dr. Lorenz Teer & Dr. Sheldon Teer, eventually expanding into the District, which was created on April 8, 1989, by the Richland Parish Police Jury. It is comprised of and embraces the territory contained within Ward One (1) of the Parish of Richland, State of Louisiana as constituted as of the date of the creation of the District. The District is a political subdivision of the Richland Parish Police Jury whose jurors are elected officials. The District's commissioners are appointed by the Richland Parish Police Jury. As the governing authority of the parish for reporting purposes, the Richland Parish Police Jury is the financial reporting entity for the District. Accordingly, the District was determined to be a component unit of the Richland Parish Police Jury. The accompanying financial statements present information only on the funds maintained by the District.

The HSD owns and operates Richland Parish Hospital, a 25-bed Critical Access Hospital ("CAH" or the "Hospital" or "Richland Parish Hospital") located in rural Delhi, Louisiana. Additionally, the District owns and operates the Delhi Rural Health Clinic ("RHC") and the Delhi Community Health Center, which is a Federally Qualified Healthcare Center ("FQHC"). Both are located adjacent/nearby to the CAH. The District provides inpatient, outpatient, emergency care and rural health clinic services for the residents of Delhi and surrounding areas. Admitting physicians are primarily practitioners living in the local community.

Mission. The mission of the District is to meet the healthcare and educational needs of the community by providing quality, cost-effective healthcare by trained compassionate employees in an environment of high moral and ethical standards to enhance the health and well-being of the patients and families it serves.

Affiliates. Richland Health Services, Inc. ("RHI") is a separate, nonprofit corporation, which was organized exclusively to provide the required governance and oversight as stipulated by program guidelines for "Public Entity" models of FQHC operations. As such, RHI does not have financial transactions. The RHI board of directors does not have the same composition as the District's board of commissioners. The District and RHI, through a co-applicant agreement, collaboratively operate the FQHC clinics as Delhi Community Health Center. RHI is considered an affiliate rather than a component unit of the District. Revenues of FQHC are not part of the Net Revenues securing the Notes.

The Delhi Health Care Foundation (the "Foundation") is a 501(c)(3) nonprofit supporting health organization established in order to promote and support the District in the provision of healthcare. The Foundation is a separate legal entity but is financially integrated with the District and is reported as a blended component unit of the District and does not issue separate financial statements.

The Delhi Health Management Solutions ("DHMS") is a 501(c)(3) nonprofit supporting organization of the District engaged in the raising and administration of funding for the development of District properties, health care programs and community outreach initiatives, and the planning, management and administration of funding programs for the District properties, services and initiatives in the health care industry. DHMS is a separate legal entity but is financially integrated with the District and is reported as a blended component unit of the District and does not issue separate financial statements.

The District, RHC, FQHC, RHI, the Foundation, and DHMS operate together under the doing-business name of "Richland Parish Hospital" or "Delhi Hospital".

Strategic Goals

Richland Parish Hospital will continue to meet the needs of the people in the community by filling the role of (i) the provider of choice to the patients and their families, (ii) the provider of choice to the physicians and payers, and (iii) the employer of choice to its staff.

GOVERNANCE AND MANAGEMENT

Board of Trustees of the District and Affiliates

The District is governed by a five-member Board of Commissioners who serve six-year terms. The current members of the Board of Commissioners are:

Name	Position	Occupation	Appointment	Expiration
Corey Albritton, MD	Chairman	Physician	2021	2027
Nathan Monroe	Vice-Chairman	Retired ANT Pipeline	2021	2027
Paul Lipe	Member	Retired Pastor	2026	2032
Annie Guine	Member	Retired Educator	2021	2027
Barbara Roark	Member	Retired Educator	2021	2027

Mildred "Jinger" Greer, the Chief Financial Officer and Interim Chief Executive Officer of CAH, serves as Secretary to the Board of Commissioners.

Management

The District is managed by the executive and administrative staff listed and described below.

Name	Position	Date Hired
Mildred "Jinger" Greer	Hospital CFO/Interim CEO	1997
Linda Goode	Chief Operating Officer	1979
Alisha McVay	Director of Nursing and Clinical Director	1995
Corey Albritton, MD	Medical Director	2018
Barbara Hutchinson	FQHC Chief Executive Officer	1981

Mildred "Jinger" Greer, CPA is a seasoned executive with over 28 years of experience in financial leadership and healthcare administration. She currently serves as the Chief Financial Officer & Interim Chief Executive Officer.

Throughout her tenure, Jinger has successfully secured and managed over $42 million in federal and state grants, driving initiatives that expand healthcare access and improve community wellness. Her extensive background includes leading fiscal operations as Chief Financial Officer, directing large-scale community health programs, and facilitating regional health coalitions across Northeast Louisiana.

A strong advocate for rural health access, Jinger has led multiple federally funded programs, including several Health Resources and Services Administration (HRSA) initiatives, wellness and prevention programs, and adolescent pre-diabetes outreach. She is also a skilled presenter and coalition builder, having organized community assessments and strategic planning initiatives at both parish and regional levels.

Jinger holds a Bachelor of Business Administration in Accounting from Northeast Louisiana University, graduating cum laude, and an Associate's in Personnel Management from Northwestern State University. She is a licensed CPA and Notary Public in the state of Louisiana and currently serves on the Board of Directors of the Richland Parish Chamber of Commerce and LA Workforce Development Board 83.

Linda Goode, RHIT serves as the Chief Operating Officer of Richland Parish Hospital. She is a nationally credentialed Registered Health Information Technician (RHIT). With over five decades of dedicated service to the District, she brings deep expertise in rural health billing, medical information management, and healthcare operations.

Her extensive experience spans key leadership roles including office manager, medical records manager, and billing director. As a champion of innovation and patient-centered care, she has led transformative initiatives at the Hospital, including the implementation of a comprehensive electronic health record system and the development of a telemedicine program in partnership with Louisiana State University – Shreveport.

Linda is renowned for her leadership and commitment to community health and has been instrumental in shaping the Hospital's outreach and care coordination efforts, ensuring greater access and improved outcomes for the region's rural population.

Alisha Nelson McVay, FNP, WCC, DWC serves as the Hospital's Director of Nursing & Clinical Director. She is a highly experienced Family Nurse Practitioner (FNP) and wound care specialist with over two decades of nursing experience and leadership in rural healthcare. She is both Wound Care Certified (WCC) and Diabetic Wound Certified (DWC) through the National Alliance of Wound Care and Ostomy. In addition to her role as Director of Nursing, she currently serves as a practicing FNP at both the District's Rural Health Clinic and Federally Qualified Health Center.

Alisha is known for her leadership in clinical operations, emergency preparedness, and quality care delivery. She has led initiatives that earned national recognition for patient satisfaction, developed evidence-based protocols for chronic disease and emergency care, and played a vital role in converting clinical departments to Critical Access status.

With an extensive clinical and administrative portfolio, Alisha has successfully overseen over 80 full-time employees and a variety of departments including emergency, school-based, outpatient psychiatric, and KidMed services. She has also instructed numerous disaster preparedness and life support training programs.

Alisha is a summa cum laude graduate of Northwestern State University with a Master of Science in Nursing. Additionally, she holds a LEAN Six Sigma Green Belt.

Corey G. Albritton, M.D. is a board-certified Internal Medicine physician with over two decades of experience in rural healthcare delivery and medical leadership. He currently serves as the Medical Director of Delhi Community Health Center and has been a dedicated physician at the District since 1999.

A native of Northeast Louisiana, Dr. Albritton completed his undergraduate studies at Northeast Louisiana University before earning his medical degree from Louisiana State University School of Medicine in Shreveport. He continued his medical training through internship and residency at LSU Medical Center, where he later served as Chief Resident in 1999.

Certified by the American Board of Internal Medicine since 1998 and recertified in 2012, Dr. Albritton is recognized for his clinical expertise, compassionate patient care, and commitment to improving access to primary care in underserved communities. From 1999 to 2013, he served patients at the Delhi Rural Health Clinic before assuming his current leadership role at Delhi Community Health Center.

Dr. Albritton is a member of Alpha Omega Alpha Honor Medical Society and the American College of Physicians, reflecting his commitment to excellence in medicine, education, and continuous improvement in healthcare delivery.

Barbara Hutchinson, CCA, CPC, CPRHC is a seasoned healthcare executive with over 45 years of experience in health information management and rural healthcare leadership. She currently serves as Chief Executive Officer of Delhi Community Health Center and Director of Health Information Management at the Hospital, where she has played a pivotal role in administrative strategy, compliance, and health data integrity.

Barbara holds an Associate Degree in Health Information Technology and maintains multiple certifications including Certified Coding Associate (CCA), Certified Professional Coder (CPC), Certified Professional Rural Health Coder (CPRHC), and Certified Professional Coder – Hospital (CPC-H). Her professional expertise spans inpatient and outpatient coding, regulatory compliance, and quality improvement.

As a member of the Hospital's quality improvement leadership team, she has led initiatives in data abstraction, benchmarking, and recovery audit contractor coordination. In her role as medical staff secretary, Barbara oversees physician credentialing, maintains medical staff bylaws, and facilitates compliance with federal and state regulatory requirements.

Recognized for her strong communication skills and effective leadership, Barbara has successfully managed a multi-person health information management staff, served as the Hospital's privacy officer, and continues to ensure best practices in documentation, coding compliance, and patient information confidentiality.

She is an active member of the American Health Information Management Association, the Northeast Louisiana Health Information Association, and the American Academy of Professional Coders, where she remains engaged in advancing the standards and education in health information management.

Code of Conduct and Certain Business Relationships; Potential Conflicts of Interest

The District has adopted a Conflicts of Interest Policy and Code of Conduct (the "Code of Conduct"), which is designed to provide guidance to the Board of Commissioners regarding recognizing and dealing with ethical issues. The Code of Conduct serves to protect the District's interests when it is contemplating a transaction or arrangement that might benefit the private interest of a board member. Members of the Board must comply with the Code of Conduct.

Richland Health Services, Inc.

RHI is governed by a nine-member Board of Directors who serve without a term limit. The current members of the Board of Directors are as follows:

Name	Position	Occupation	Appointment
Wayne Smart	Chairman	Retired Business Owner	2010
Nathan Monroe	Vice-Chairman	Retired ANT Pipeline	2021
Becky Lewis	Secretary/Treasurer	Retired Educator	2012
Billy W. Zeigler	Member	Law Enforcement	2025
Meredith Gray	Member	Community Outreach	2016
Mercedita Rollins	Member	Finance/Billings	2018
Annie Guine	Member	Retired Educator	2021
Barabara Roark	Member	Retired Educator	2021
Eugene Young	Member	Pastor/School Bus Driver	2021

Delhi Health Management Solutions

DHMS was created in August 2024 to support the District in furthering its activities. The sole purpose of DHMS is to support the mission of the District.

Governance and Management. DHMS is governed by a three-member Board of Directors elected by the HSD1A Board of Commissioners and RHS Board of Directors. The current members of the DHMS Board of Directors are: Corey Albritton, HSD Physician, HSD1A Board of Commissioners; Nathan Monroe, Retired ANR Pipeline, HSD1A Board of Commissioners Vice-Chairman/RHS Board Vice-Chairman; and Wayne Smart, Retired Business Owner, RHS Board Chairman.

The present officers of DHMS are:

Name	Office
Corey Albritton	Chairman
Wayne Smart	Vice-Chairman
Jinger Greer	Secretary

Delhi Health Care Foundation

The Foundation was created in September 2013 to support the District in furthering its activities. The Foundation's sole purpose is to support the mission of the District.

Governance and Management. The Foundation is governed by a three-member Board of Directors elected by the Board of Commissioners of the District and RHS Board of Directors. The current members of the Foundation's Board of Directors are: Corey Albritton, HSD Physician, HSD1A Board of Commissioners; Nathan Monroe, Retired ANR Pipeline, HSD1A Board of Commissioners Vice-Chairman/RHS Board Vice-Chairman; and Wayne Smart, Retired Business Owner, RHS Board Chairman.

The present officers of the Foundation are:

Name	Office
Corey Albritton	**Chairman**
Wayne Smart	**Vice-Chairman**
Nathan Monroe	**Secretary/Treasurer**

Description of Facilities, Major Programs and Services

The District's existing hospital is located directly west of Broadway St. (Louisiana Highway 17) and is approximately 0.4 miles south of U.S. Route 80 and approximately 0.8 miles north of Interstate 20.

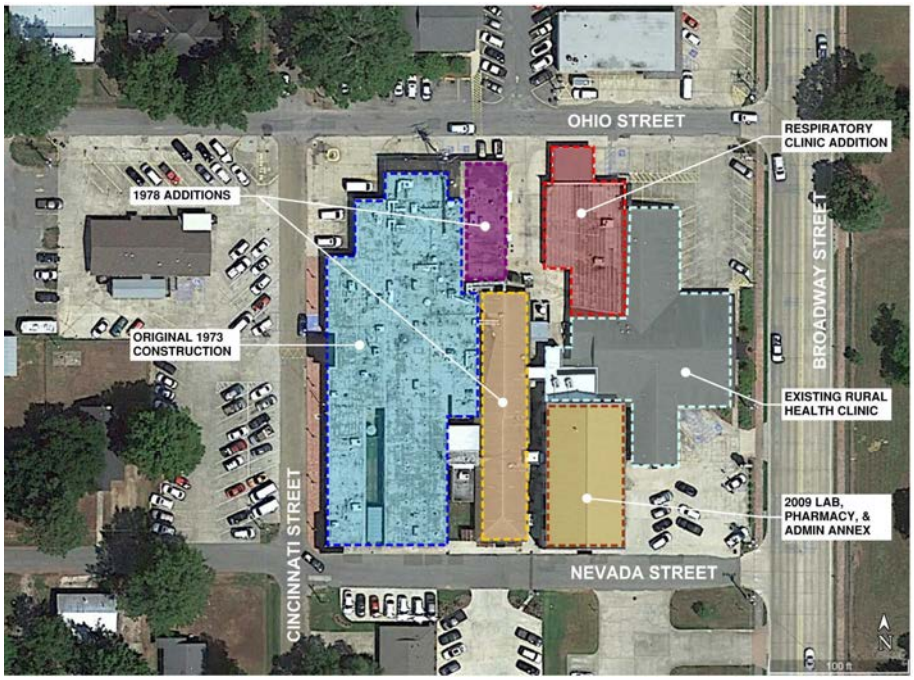
The District's footprint includes two buildings spanning approximately 4.4 acres, across more than one city block and includes approximately 38,600 square feet of occupied building space. Upon completion of the Project, the District will have one building approximating 95,960 square feet of occupied building space. The District supports emergency, inpatient, outpatient and primary care needs across its facilities. Parking infrastructure includes surface parking lots, totaling approximately 368 parking spaces for families, staff, and visitors.

Richland Parish Hospital – Existing Facility

The Delhi Clinic and Sanatorium was first opened in 1936 by brothers Dr. Lorenz Teer & Dr. Sheldon Teer with 12 inpatient beds. By the late 1960's, the small clinic and hospital had gradually expanded into a Hospital Service District and was treating an average of 50,000 outpatient-visits a year and delivering up to 400 babies per year. In 1970, Richland Parish passed a bond measure to build a hospital in Delhi and nearby Rayville. The two were connected and thus became the Richland Parish Hospital District. Delhi Hospital opened with 25 beds in 1971. In 1978, the original structure was renovated and expanded, and later additions continued as needed in the 1980's. In 2009, Richland Parish Hospital added a two-story annex structure for expanded Lab, Pharmacy, and Materials Management space; new Administration and Business offices were provided on the second floor.

Although well maintained throughout the previous 50+ years, the existing facility has fallen behind in its ability to meet current codes, regulations, and efficiency standards and renovations of current acute and emergency care areas for compliance are technically & financially infeasible.


RICHLAND PARISH HC
DELHI


OHIO STREET
RESPIRATORY CLINIC ADDITION
1978 ADDITIONS
ORIGINAL 1973 CONSTRUCTION
BROADWAY STREET
EXISTING RURAL HEALTH CLINIC
2009 LAB, PHARMACY, & ADMIN ANNEX
CINCINNATI STREET
NEVADA STREET
N

USDA/BAN-Funded Project

The Project includes the following: New acute care unit with 16 beds and a new 6-bed sleep-study unit; New emergency department with two trauma rooms and new helipad; New surgical suite with two new operating rooms and three new minor procedure and endoscopy rooms with sterile processing departments provided to process equipment onsite; A modern laboratory, pharmacy, radiology and diagnostic testing suite to support the new acute care and emergency departments, as well as provide outpatient services; this includes a CT scanner, MRI, mammography, ultrasound, EKG and bone density scanner; Respiratory therapy and inpatient physical therapy and occupational therapy departments; An attached RHC with 21 exam and treatment rooms, 12 provider offices and support areas; Other required support functions such as dietary, materials management, housekeeping, administration, and plant operations will also be included within the replacement hospital facility. Medical records and the business/accounting offices will remain in the existing locations in the newest two-story annex. This portion of the existing Hospital will not be demolished.

Other New Facilities Outside the USDA/BAN-Funded Project

The District expects to construct other support and infrastructure facilities to enhance the new hospital and rural health clinic. These facilities are not part of the USDA/BAN-funded Project and will be funded by hospital cash.

Parking: The new parking areas will be on adjacent parcels of land owned by the District. Construction of these parking areas is underway and will be substantially completed before commencement of the new facility construction. The estimated cost of the parking areas is $1,400,000 to be paid from District funds on hand.

Support buildings: Two support buildings will be constructed on lots adjacent to the new hospital for (i)storage of maintenance and yard equipment, combustible materials, and hospital laundry services and (ii) storage of patient and administrative records of the District. Construction of these buildings is underway and will be substantially completed before commencement of the new facility construction. The estimated cost of these buildings is $1,000,000 to be paid from District funds on hand.

Outpatient therapy and wellness building: A new 17,695 SF facility primarily dedicated to outpatient physical and occupational therapy is anticipated to be built adjacent to the new hospital on property owned by the District. This new building is designed to be a comprehensive therapy center serving multiple patient therapy modalities. Programmed spaces include:

- Adult and Pediatric Physical Therapy
- Therapy exam/treatment rooms
- Aquatics Therapy (heated indoor pool) with chemical storage rooms
- Occupational Therapy
- Speech therapy
- Admin, Therapy, & Counseling offices
- Certified Diabetes Education Program
- Community Education classrooms with a catering prep kitchen

The therapy building and related equipment is estimated to cost approximately $12,000,000. The building is intended to be financed by a combination of a $4,000,000 Congressionally Directed Spending grant, proposed New Market Tax Credits, and District funds on hand.

Major Programs and Services

Richland Parish Hospital is the only hospital in Delhi, Louisiana, and primarily serves neighboring communities across three zip codes. The hospital provides multiple services, including emergency, outpatient and diagnostic radiology services, among others. The District operates 25 beds at Richland Parish Hospital.

The selected programs and services listed below are some that are vital to serving the Richland Parish community and that represent the importance of the District's role in the care for the patients it serves.

- In-patient Acute Care and Swing-Bed Services – Richland Parish Hospital provides both Acute Care and Swing-Bed Services in the in-patient setting. Stabilizing treatment and short-term recovery for common, less-complex medical conditions, illnesses and injuries is provided in the Acute Care setting. Swing-Bed Services includes transitional care at a skilled nursing facility (SNF) level of care. Many patients receive rehabilitation services after a major surgery or illness.

- Emergency Department – Richland Parish Hospital operates a 24/7 Emergency Room staffed by physicians. Due to its strategic location, the Richland Parish Hospital ER is the closest location for emergency care for residents in not only Richland Parish, but also in three surrounding parishes.

- Gastroenterology & Endoscopy Services – Richland Parish Hospital offers most major outpatient gastroenterological procedures. The procedures are performed by a board-certified gastroenterologist using high quality equipment and practices. The procedures include colonoscopy, upper endoscopy, colorectal

screenings, hemorrhoid banding, and polyp removal. Patient visits with the Gastroenterologist are available in the Richland Parish Hospital Rural Health Clinic. Other gastroenterology services offered under the care of the gastroenterologist include treatment and follow-up for Hepatitis C and the use of FibroScan equipment for liver health screening and treatment.

- Sleep Study Program – The Richland Parish Hospital Sleep Center is accredited by the American Academy of Sleep Medicine. The AASM Accreditation assure quality patient care as well as the technical ability and medical expertise to diagnose and treat a full spectrum of sleep disorders. The Sleep Center offers access to close-to-home sleep studies and treatment options for adults and children. If not for the Richland Parish Hospital Sleep Center, some in the Richland Parish Hospital service area would have to travel roughly two hours each way to access this care.

- Out-patient Radiology & Imaging – Advanced imaging technology provides clearer pictures for our Radiology Team to provide a more accurate diagnosis. Richland Parish Hospital has aggressively sought grant funding to deploy the latest technology to perform thousands of radiologic services each year. Richland Parish Hospital Outpatient Radiology and Imaging services include Ultrasound, X-Ray, CT Scan, Bone Density Scan, and 3D Mammography. Richland Parish Hospital is designated as a Breast Imaging Center of Excellence by the American College of Radiology.

- Out-patient Lab Diagnostics – The Richland Parish Hospital Outpatient Lab Diagnostics department provides our rural community with essential testing including blood work, urinalysis and pathology. Access to this testing ensures that our most vulnerable populations maintain local access to critical care.

- Outpatient Cardiopulmonary Rehabilitation – Cardiopulmonary Rehabilitation is a medically supervised program that helps patients recover quickly and return to full, anxiety-free living after suffering from a cardiac event or lung disease. The comprehensive exercise programs help improve the efficiency and function of the entire cardiovascular system, which is a key element in improving overall health and reducing risk factors to prevent future heart or lung problems. During the program, participants are placed on a heart monitor while exercising and under the supervision of an Advanced Cardiac Life Support (ACLS) Certified Team. The Richland Parish Hospital Team includes a Physician, Registered Nurse, and Exercise Physiologist. This program provides critical rehabilitation services for all of Northeast Louisiana as patients would be forced to travel to the next urban area for this service, which is almost two hours each way for some of the Richland Parish Hospital service area.

- Outpatient Physical and Occupational Therapy – The Richland Parish Hospital Outpatient Therapy Program restores, reinforces, and enhances our patients' physical movement and abilities, while promoting and maintaining good health. Patients who are experiencing a loss in independence or range of movement from injury, illness, or normal aging greatly benefit from therapy services.

- Outpatient Speech Therapy – The Richland Parish Hospital team of Speech-Language Pathologists are dedicated to enabling pediatric and adult patients to develop and maintain their ability to speak more clearly, understand and express thoughts, and swallow safely. The pediatric program focuses on child-centered care and provides services that improve reading comprehension, develop school readiness skills, improve social pragmatic skills, improve stuttering and fluency, and help with autism spectrum disorder.

- Diabetes Education Program – The Richland Parish Hospital Diabetes Self-Management Education (DSME) Program is accredited by the Association of Diabetes Care & Education Specialists. The ADCES is a national accreditation program recognized by Medicare. The Richland Parish Hospital program is the only accredited DSME Program in Northeast Louisiana and offers lifelong support to encourage and enable patients to live healthy with diabetes. Patients are given the knowledge, skills and support to manage their diabetes and a foundation to help them navigate their daily self-care.

- Federally Qualified Health Center (FQHC) and a Rural Health Clinic (RHC) under CMS licenses.

Quality Improvement and Patient Safety

Richland Parish Hospital is dedicated to meeting the needs of its patients in a manner that is consistent with its mission, vision and belief statements. The Richland Parish Hospital Quality/Performance Improvement Plan is designed to provide a systematic and organized program for the promotion of safe patient care and services. The plan outlines improvement principles, organizational structure and approach to continually strive toward our purpose of (1) doing the right things, (2) doing the right things well, and (3) continually improving. Activities are interdisciplinary and collaborative in order to respond to the needs of the customer, patient, physician, employee and community. Through an interdisciplinary and integrated process, patient care and processes that affect patient care outcomes shall be continuously monitored and evaluated to promote optimal achievements, with appropriate accountability assumed by the Board of Commissioners, Medical Staff, administration, and support personnel.

Quality/Performance Improvement Goals. Goals of the Performance Improvement Program are as follows:

- To improve the safety and reliability of patient care processes and outcomes.
- To promote patient safety by prevention and reduction of medical errors.
- To integrate the principles of high reliability into our Performance Improvement structure and culture.
- Shift the primary focus from the performance of individuals to the performance of the organization's systems and processes, while continuing to recognize the importance of the individual competence of credentialed staff and other staff.
- To utilize internal and external customer feedback to improve the services necessary to excel in a competitive health care environment.
- To organize data into useful information, including comparison to internal and external data sources.
- To utilize external information sources representing "Best Practices" in the design of systems to improve patient outcomes and processes.
- To promote a culture of continual survey readiness.
- To enhance communication between the Medical Staff, Hospital Department/Services, and the Board of Commissioners regarding the conclusions and recommendations resulting from data analysis and the actions taken to address the findings and recommendations.
-

QI/PI Scope of Activities. The scope of the Quality/Performance Improvement Program encompasses measurement and assessment activities of the Medical Staff, Nursing and Ancillary or support services and includes every department and service of the hospital. Processes and outcomes of care are designed, measured and analyzed.

Performance Improvement activities will address both clinical and organizational functions. These activities are designed to assess key functions of patient care and to identify, study, and correct problems and improvement opportunities found in the processes of care delivery.

The Board of Commissioners, Administration, Department Leaders and leaders of the organized Medical Staff regularly communicate with each other on issues of safety and Performance Improvement.

Patient Safety. Richland Parish Hospital is a member of the Louisiana Alliance for Patient Safety (LAPS) Patient Safety Organization (PSO) and is committed to an environment of patient safety and to the delivery of high quality healthcare. Our hospital's membership in the LAPS PSO is one of the ways this commitment is realized. As a member of LAPS PSO, Richland Parish Hospital maintains a Patient Safety Evaluation System (PSES). The maintenance of the PSES involves the identification of Patient Safety Work Product (PSWP) and the associated data and analysis of that data.

Information Technology

Medical Records. Richland Parish Hospital currently uses AthenaOne by AthenaHealth as its electronic health record system for medical records. In 2026, the District is planning a software conversion from AthenaHealth to the Oracle Health CommunityWorks electronic medical record system.

The Oracle Health CommunityWorks platform is an integrated electronic health record (EHR) that supports the clinical, financial, and operational needs of smaller hospital operations in acute and ambulatory settings.

CommunityWorks bundles the essential technology solutions Richland Parish Hospital will need to help overcome staffing challenges, increase financial stability, and improve patient experiences.

It also will add Oracle Health applications that enable care teams to collaborate, coordinate, and communicate simply and securely via smart mobile devices. Incorporating Oracle Health solutions will help it better manage the revenue cycle process and provide payer information that automatically supports compliance with regulatory requirements. Richland Parish Hospital intends to use the Oracle Health platform to enable a shift from reactive healthcare to proactive health management through use of the tools included in the CommunityWorks delivery model.

For Richland Parish Hospital, this conversion will result in software conversion cost of approximately $1,216,000 and $628,000 in 2026 and 2027, respectively. For the FQHC, this conversion will result in software conversion cost of approximately $229,000 and $118,000 in 2026 and 2027, respectively. Beginning in 2027, the conversion will result in cost savings averaging approximately $458,000 annually for the Hospital and approximately $70,000 annually for the FQHC. Cost and savings related to the software conversion are a component of the purchased services and professional fees line item.

Cybersecurity. The District maintains a robust, multi-layered cybersecurity infrastructure designed to safeguard patient data and ensure operational continuity. Our comprehensive approach includes continuous staff education, proactive threat management, and financial risk mitigation:

- Employee Training & Awareness: All personnel undergo mandatory annual HIPAA Security and Cybersecurity training. To maintain a high level of vigilance, staff also participate in weekly, micro-learning video modules. This training is reinforced by regular, unannounced phishing simulations; employees who fail these simulations receive immediate targeted education to remediate vulnerabilities.

- Incident Response & Preparedness: The District recently conducted a comprehensive cybersecurity tabletop exercise in coordination with our emergency preparedness team to identify, evaluate, and remediate gaps in our incident response procedures. This exercise is scheduled to be performed on an annual basis to ensure ongoing readiness.

Digital Solutions. The District strategically adopts innovative, user-friendly technologies to optimize hospital operations and elevate the patient experience:

- Patient Self-Service Engagement: To streamline operations and reduce administrative bottlenecks, the District deployed digital self-service check-in software. This solution allows patients to conveniently complete pre-registration items prior to their visit, significantly reducing front-desk wait times and operational burdens.

- Streamlined Financial Solutions: In conjunction with the District's upcoming enterprise Oracle EHR transition, the District will deploy an advanced, seamless patient statement and payment platform. This modern interface will expand flexible payment options and self-service payment plans for patients, ultimately accelerating revenue cycle performance while reducing manual billing workloads for administrative staff.

Medical Staff

The District's Medical Staff (the "Medical Staff") consists of 11 members described below. One of the active Medical Staff Dr. Corey Albritton, is Board Certified in Internal Medicine.

Medical Staff Members – Active
Ken McDonald, MD, Chairman
Cynthia Wagnon, MD, Vice Chairman
Niruban Nirthananthan, MD, Secretary
Corey Albritton, MD
Jose Enriquez, MD
Dung N. Le, MD

Medical Staff Members – Consulting
Mindi Roberson, DDS
Thanaseelan Muthulingam, MD
John Maxwell, MD
Enaka Yembe, MD
Joseph Enriquez, MD

Historic information with respect to the acute admissions per Medical Staff member is below:

Physician Name	Medical Specialty	Age	Start Date	End Date	Hospital Acute Care Admissions				
					2021	2022	2023	2024	2025
Jose Enriquez	Family Practice	74	1990	N/A	24	47	28	27	14
Dung Le	Family Practice	71	1994	N/A	9	23			
Kenneth McDonald	General Medicine	75	1979	N/A	21	20	31	13	10
Cynthia Wagon	Internal Medicine	60	1998	N/A	11	25	23	32	23
Thanaseelan Muthulingam	General Medicine	50	2019	N/A	30	39	30	38	28
Corey Albritton	Internal Medicine	56	1999	N/A	79	87	79	47	54
Niruban Nirthananthan	Family Practice	39	2021	N/A		35	46	71	52
Paul Grandon	Internal Medicine	67	1987	2021	22				
Joseph Enriquez	Family practice	35	2025	N/A					2
					196	276	237	228	183

The Medical Staff is responsible for the quality of medical care in the hospital and must accept and discharge this responsibility, subject to the ultimate authority of the Board of Commissioners. The cooperative efforts of the Medical Staff, the Chief Executive Office and the Board of Commissioners are necessary to fulfill the hospital's obligations to its patients. The practitioners are organized into a medical staff in conformity with the established bylaws.

Membership on the Medical Staff of the Richland Parish Hospital is a privilege which is extended only to professionally competent medical and osteopathic physicians, dentists, and podiatrists who continuously meet the qualification, standards and requirements set forth in the bylaws, without regard to race, sex, religion or age.

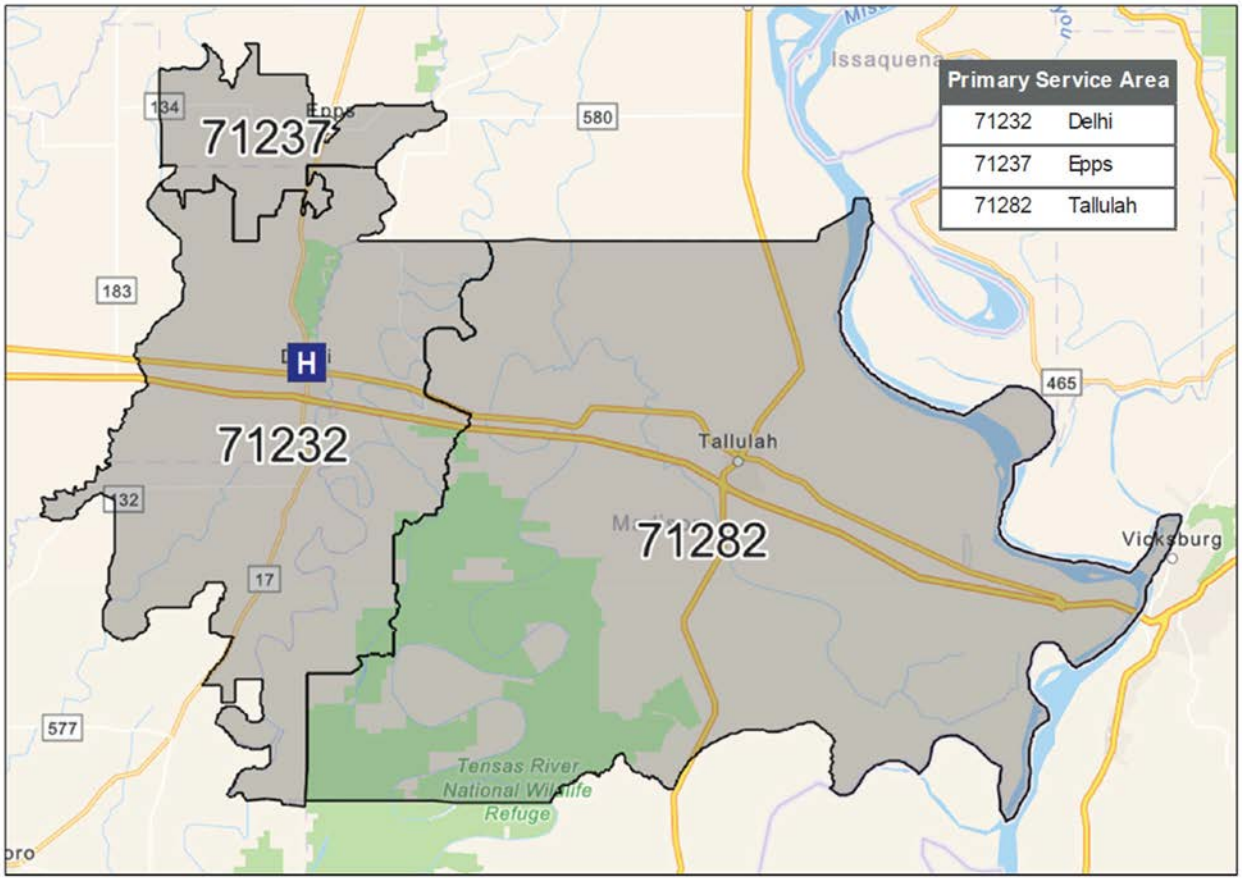
Only medical and osteopathic physicians, dentists, and podiatrists licensed by the appropriate State Board of Examiners (which has been established by the Louisiana State Legislature) to practice medicine, dentistry or podiatry; osteopathic, dental or podiatric schools, who can document their background, experience, training, competence, adherence to the ethics of their profession, good reputation and ability to work with others with sufficient adequacy to assure the Medical Staff and Board of Commissioners that any patient treated by them in the hospital will be given proper medical care are qualified for membership on the Medical Staff. Acceptance of membership on the Medical Staff constitutes the staff member's agreement that he will strictly abide by the principles of ethics applicable to that staff member's profession.

Initial appointments and re-appointments to the Medical Staff are made by the Board of Commissioners. The Board of Commissioners acts on appointments, re-appointments or revocation of appointments only after there has been a recommendation from the Medical Staff as provided in the bylaws.

SERVICE AREA

Based upon a market assessment report issued in 2025, it was determined that the District's primary service area (PSA) consists of three zip codes, which include the following: Delhi (71232), Epps (71237) and Tallulah (71282). The map below outlines the PSA.

Table 1.
Primary Service Area



In addition to the market characteristics described above, the District's primary service area is undergoing significant economic development associated with the construction of a large-scale data center by Meta Platforms, Inc. located in Richland Parish. The project site is located approximately eight miles from the Hospital and represents a substantial capital investment in the region.

During peak construction, the project is expected to employ several thousand workers, temporarily increasing the population within the service area. Upon completion, the facility is anticipated to support a permanent workforce that may contribute to long-term population stabilization. While the extent to which these workers will reside within the District's service area cannot be determined, management believes the project may expand the effective service area population and influence demand for healthcare services over time.

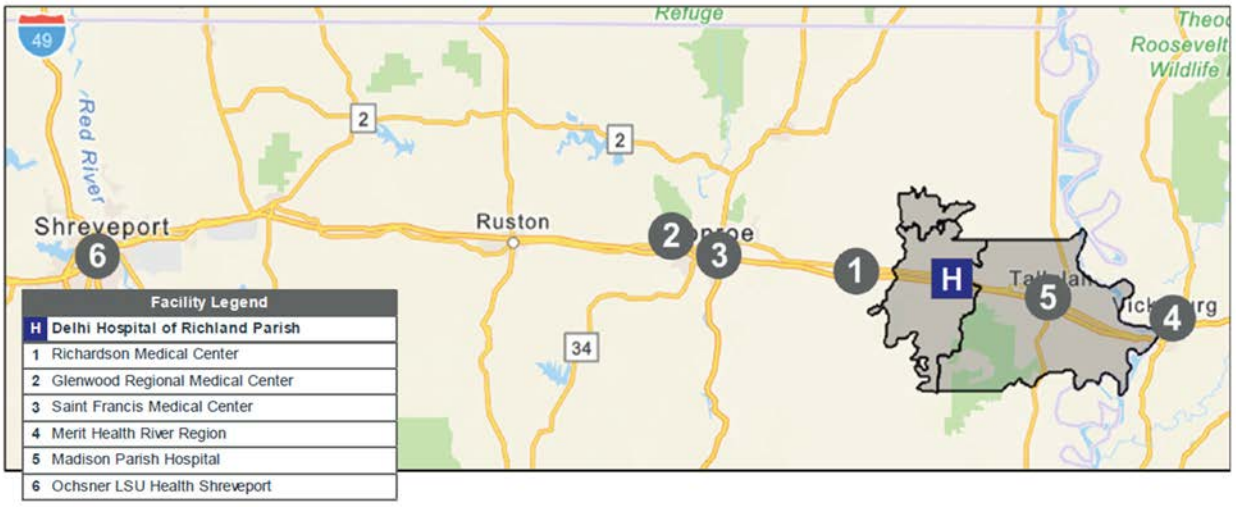
The following table sets forth the District's total hospital discharges by zip code of origin within the PSA for the three fiscal years ended September 30, 2022 through 2025:

Table 2.
Discharges by Origin

Zip Code	2022	2023	2024	2025
71232	161	127	123	85
71237	16	24	16	13
71282	27	34	36	35
Total PSA	**204**	**185**	**175**	**133**
Other Zip Codes	71	52	51	49
Out of State	1	0	2	1
Total	**276**	**237**	**228**	**183**

Competing Facilities

The following tables and map outline the major competing facilities surrounding the District and the capabilities/services offered by such facilities as compared to the District. The competing facilities were determined by analyzing facilities that experienced the largest volume of acute inpatient discharges and outpatient volumes from the District's PSA.



	Facility Type	Miles from Delhi	Bed Size	Annual Discharges	PSA Acute Medicare Market Share	Annual Net Revenue (000's)
Delhi Hospital of Richland Parish	**CAH**	**-**	**25**	**228**	**13.6%**	**$ 32,085**
Richardson Medical Center	Acute	18	38	395	3.3%	24,542
Glenwood Regional Medical Center	Acute	41	212	6,286	21.5%	150,922
Saint Francis Medical Center	Acute	37	332	14,103	25.2%	382,093
Merit Health River Region	Acute	44	124	4,450	13.1%	116,591
Madison Parish Hospital	CAH	21	19	123	3.0%	15,066
Ochsner LSU Health Shreveport	Acute	138	237	11,451	1.2%	681,283

Source: Management, Centers for Medicare and Medicaid Services (CMS), www.costreportdata.com, Google Maps

Medicare Acute Days					
	2021	2022	2023	2024	2025
Richland Parish Hospital	**492**	**652**	**584**	**467**	**353**

Source: Management

Comparable Facility Ratios						
	Richland Parish Hospital	**Richardson Medical Center**	**Glenwood Regional Medical Center**	**Saint Francis Medical Center**	**Merit Health River Regional**	**Ochsner LSU Health Shreveport**
Acute renal dialysis			X	X		X
Alcohol and/or drug			X			
Anatomical laboratory				X		X
Anesthesia	X	X	X	X	X	X
Blood bank	X	X	X	X	X	X
Cardio-thoracic surgery			X	X	X	X
Certified trauma center						X
Clinical laboratory		X	X	X		X
CT scanner	X	X	X	X	X	X
Dental	X					X
Diagnostic radiology	X	X	X	X		X
Dietary	X	X	X	X		X
Emergency	X	X	X	X	X	X
Home health			X	X		
Hospice		X	X			
ICU - cardiac (non-surgical)			X	X	X	X
ICU - medical/surgical		X	X	X	X	X
ICU - surgical			X			
Inpatient rehabilitation				X	X	X
Inpatient surgical		X		X	X	X
Neonatal nursery			X	X		X
Nuclear medicine		X	X	X	X	X
Nursing					X	
Obstetric			X	X	X	X
Occupational therapy	X	X	X	X	X	X
Operating room	X	X	X	X	X	X
Organ bank	X	X				
Organ transplant				X		X

Orthopedic surgery				X	X	
Outpatient rehabilitation	X			X	X	
Outpatient	X	X	X	X	X	X
Outpatient surgery unit	X		X	X	X	X
Outpatient psychiatric	X			X		
Pediatric			X	X		X
Pharmacy	X	X	X	X	X	X
Physical therapy	X	X	X	X	X	X
Postoperative recovery room	X	X	X	X		X
Psychiatric		X	X	X	X	X
Respiratory care	X	X	X	X	X	X
Social	X	X	X	X	X	X
Speech pathology	X	X	X	X	X	X
Therapeutic radiology			X	X		X

Source: www.hospital-data.com, https://www.merithealthriverregion.com/our-services

ECONOMIC AND DEMOGRAPHIC INFORMATION

Population

The following table sets forth comparative historical population statistics and estimates for the service area for the years indicated.

Population	2010	2020	2026	2031
Delhi	2,873	2,622	2,446	2,392
Annual change		-0.9%	-1.2%	-0.4%
Richland Parish	20,275	20,043	19,504	19,182
Annual change		-0.3%	-0.5%	-0.3%
Louisiana	4,533,358	4,657,757	4,593,000	4,587,995
Annual change		0.3%	-0.2%	0.0%
Louisiana	308,745,377	331,449,281	342,965,686	351,802,157
Annual change		0.7%	0.6%	0.5%

Source: U.S. Bureau of the Census

Primary Service Area Age Distribution - Population 2026					
Zip Code	**0 - 17**	**18 - 44**	**45 - 64**	**65+**	**Total**
71232 - Delhi	1,287	1,898	1,450	1,305	5,940
71237 - Epps	160	210	179	202	751
71282 - Tallulah	2,016	2,784	1,835	1,553	8,188
Total Service Area	3,463	4,892	3,464	3,060	14,879

Source: U.S. Bureau of the Census

Primary Service Area Age Distribution - Population 2026					
Zip Code	**0 - 17**	**18 - 44**	**45 - 64**	**65+**	**Total**
71232 - Delhi	21.7%	31.9%	24.4%	22.0%	99.9%
71237 - Epps	21.3%	28.0%	23.8%	26.9%	100.0%
71282 - Tallulah	24.6%	34.0%	22.4%	19.0%	100.0%
Total Service Area	23.3%	32.8%	23.3%	20.6%	99.9%

Source: U.S. Bureau of the Census

Unemployment

The following table sets forth comparative unemployment rates.

Table 3.
Comparative Unemployment Rates

	Annual Average				
	2021	**2022**	**2023**	**2024**	**2025**
Richland Parish, Louisiana	5.6%	4.2%	4.7%	5.4%	5.2%
State of Louisiana	5.6%	3.7%	3.7%	4.4%	4.3%
United States	5.3%	3.6%	3.6%	4.0%	4.3%

Source: U.S. Bureau of Labor Statistics, obtained from www.bis.gov

Major Employers and Industry

The following table sets forth major public and private sector employers for Richland Parish.

Table 4.
Largest Employers

Employer	Number of Employees
Lamb Weston/ConAgra	280
Richland Parish School Board	375
Meta Data Center	
Construction period (2024 -2029)	Up to 7,000
Estimated After Construction	1,000
Richland Parish Hospital	232

Source: Management of the District.

The Meta data center development represents one of the largest economic initiatives in the region and is expected to contribute to increased employment, wages, and business activity within Richland Parish. Management anticipates that this development may have a positive impact on local economic conditions, including increased disposable income and population retention.

To the extent that these factors result in higher employment levels and increased commercial insurance coverage among residents, the District may experience a favorable shift in payer mix and an increase in demand for healthcare services.

The number of employees by industry for Richland Parish are as follows:

Table 5.
Employees by Industry

Number of Employees 2024			
Industry	**Private**	**Government**	**Total**
Education and health services	1,990	10	2,000
Trade, transportation and utilities	1,223	38	1,261
Manufacturing	595		595
Professional and business services	344	5	349
Leisure and hospitality	361		361
Financial activities	236		236
Construction	258		258
Public administration		305	305
Natural resources and mining	205		205
Other services	68		68
Information	15		15
Total Employment	5,295	358	5,653

Source: U.S. Bureau of Labor Statistics

Income

The following table shows per capita and median household income levels for the years indicated.

Table 6.
Comparative Income Measures

	Per Capita Income		Median Household Income	
	2025 Estimated	2030 Projected	2025 Estimated	2030 Projected
Delhi, Louisiana	$22,262	$24,241	$38,134	$41,859
Richland Parish, Louisiana	$24,986	$27,296	$48,420	$53,243
State of Louisiana	$35,733	$40,119	$61,174	$67,675
United States	$45,360	$50,744	$81,624	$92,476

Source: ESRI

Historical Utilization

The following table summarizes selected information with respect to utilization and ancillary utilization of the Hospital for the periods indicated:

Table 7.
Utilization and Ancillary Utilization

	Historical 2023 - 2025			Projected
	2023	2024	2025	2026
Inpatient				
Acute Days	971	840	630	581
Swing-bed days	787	917	796	1,002
Outpatient				
Laboratory	105,039	103,704	110,463	100,789
CAT Scan	1,968	2,042	2,491	2,348
Emergency Room	3,727	3,577	3,648	3,218
Sleep study	1,193	985	819	696
Rural Health Clinic (RHC)	14,163	13,853	14,834	12,796
Intensive outpatient program	7,761	9,031	8,208	6,789
Pharmacy	11,715	10,582	9,481	7,973
Xray	5,552	5,812	6,687	5,408
Physical therapy	16,772	16,228	17,072	14,690
Surgery - scopes	470	466	509	369
Occupational therapy	10,920	13,017	13,146	11,068
Speech therapy	1,984	1,927	2,224	1,742
Ultrasound	801	740	848	722
EKG	1,253	1,103	1,372	1,091
Respiratory therapy	762	781	1,794	1,596
General surgery				
MRI				
Cardiopulmonary	746	818	893	570
FQHC				
Visits	33,312	33,023	32,986	31,571

Source: Management
Note (1): Guidelines for pulmonary rehabilitation patients changed in 2026, resulting in a decrease in patients.

Impact of Regional Economic Development on Utilization

Management believes that regional economic growth associated with the Meta data center development may contribute to increased demand for hospital and clinic services over the forecast period. During the construction phase, an influx of contractors and temporary workers may increase utilization of emergency, outpatient, and occupational health-related services.

Over the longer term, the presence of a permanent workforce and associated population stabilization may support sustained utilization of primary care, diagnostic, and outpatient services provided by the District. However, the magnitude and duration of such increases remain uncertain and will depend on workforce residency patterns and healthcare utilization behaviors.

Sources of Revenues

Most of the District's revenues are received from third party payors. The sources of payment for services provided by the District for the periods indicated are as follows:

Table 8.
Percent of Gross Patient Revenues

	Hospital Payor Mix			
	Medicare	Medicaid	Medicare Advantage	Other
Historical				
2021	33.8%	28.6%	12.5%	25.0%
2022	35.1%	29.0%	13.3%	22.7%
2023	32.6%	28.6%	16.4%	22.4%
2024	34.5%	25.5%	15.7%	24.3%
2025	31.8%	22.0%	18.9%	27.3%
Projected				
2026	32.3%	21.7%	19.1%	27.0%

Source: Management
Note (1): Represents primarily commercial insurance.

Table 9.
Revenues by Payment Source

	Historical net patient service revenues			Projected
	2023	2024	2025	2026
Hospital Medicare				
Gross revenue	$12,887,000	$13,964,000	$13,115,000	$13,679,000
Contractual Adjustments	(3,643,000)	(3,374,000)	(2,635,000)	(3,516,000)
Total Medicare net revenue	9,244,000	10,590,000	10,480,000	10,163,000
Hospital Medicaid				
Gross revenue	11,323,000	10,329,000	9,096,000	9,182,000
Contractual Adjustments	(5,248,000)	(4,544,000)	(3,411,000)	(3,790,000)
Total Medicaid net revenue	6,075,000	5,785,000	5,685,000	5,392,000
Hospital Medicare Advantage				
Gross revenue	6,467,000	6,362,000	7,812,000	8,092,000
Contractual Adjustments	(2,051,000)	(2,338,000)	(2,130,000)	(2,171,000)
Total Medicare Advantage net revenue	4,416,000	4,024,000	5,682,000	5,921,000
Hospital Other				
Gross revenue	8,869,000	9,857,000	11,265,000	11,421,000
Contractual Adjustments	(3,481,000)	(3,929,000)	(4,602,000)	(5,394,000)
Total other net revenue	5,388,000	5,928,000	6,663,000	6,027,000
FQHC Other				
Gross revenue	6,249,000	6,286,000	6,290,000	6,946,000
Contractual Adjustments	(1,190,000)	(658,000)	(602,000)	(474,000)
Total FQHC net revenue	5,059,000	5,628,000	5,688,000	6,472,000
IGT Grant	2,681,000	2,385,000	2,259,000	2,222,000
Charity Care	(298,000)	(347,000)	(441,000)	(506,000)
Provision for Bad Debts	(1,258,000)	(1,928,000)	(2,073,000)	(2,337,000)
Net Patient Service Revenue	$31,307,000	$32,065,000	$33,943,000	$33,354,000

Source: Management

Information Concerning Payors

The District has agreements with third-party payors that provide for payments to the District at amounts different from its established rates. These payment arrangements include:

Medicare. The District is certified as a Critical Access Hospital (CAH) by Medicare. As a CAH, the District is reimbursed for substantially all inpatient and outpatient services to Medicare beneficiaries based on reasonable costs. Additionally, as a CAH, the District's licensed beds are limited to 25, and the District's acute average length of stay may not exceed 96 hours. The District is reimbursed for substantially all services at tentative rates, with final settlement determined after submission of annual cost reports by the District and audits thereof by the Medicare administrative contractor.

Medicare Advantage. Medicare Advantage (MA) is an alternative to Medicare offered by private insurance companies to Medicare eligible participants. The program is approved by Medicare and follows a cost-based reimbursement methodology similar to Medicare (as described above); however, the plans are subject to negotiated rates between the District and private insurance companies and do not include a retroactive settlement. These plans bundle Part A (hospital insurance) and Part B (medical insurance), and often include Part D (prescription drug coverage), providing comprehensive healthcare coverage. In the seven months Ended April 30, 2026, the District's concentration of MA plans were with plans associated with three payors: Blue Cross 31%, Humana 34% and United Healthcare 24%.

Medicaid. Inpatient and outpatient services rendered to Medicaid program beneficiaries are reimbursed under a cost reimbursement methodology for certain services and at prospectively determined rates for all other services. The District is reimbursed for cost reimbursable services at tentative rates, with final settlement determined after submission of annual cost reports by the District and audits thereof by the Medicaid administrative contractor.

Hospital Other. Hospital other net revenue includes payments from commercial insurance and self-pay (uninsured) for patient services. Payment agreements with commercial insurance carriers, health maintenance organizations, and preferred provider organizations provide for payment to the District using prospectively determined rates per discharge, discounts from established charges, and prospectively determined daily rates. Blue Cross is a commercial insurance program that provides its subscribers with hospital and physician benefits through several independent plans associated with its national organization. Blue Cross is the major payor represented in the District's net revenue grouping "hospital other". For the seven months ended April 30, 2026, Blue Cross accounted for approximately 13% of total hospital gross revenue and 47% of the hospital other grouping. Uninsured patients represented approximately 4% of total gross charges and 15% of the hospital other grouping for the same period.

ITG Grant. The District entered into a cooperative endeavor agreement (CEA) with a regional public rural hospital (Grantor), whereby the Grantor awards an intergovernmental transfer (IGT) grant to be used solely to provide adequate and essential medically necessary and available healthcare services to the District's service population subject to the availability of such grant funds. IGT grant funds are primarily the result of the state's Medicaid directed payment program (DPP).

Recent Policy and Regulatory Impact

The passage of H.R. 1, the One Big Beautiful Bill Act (the "OBBBA") on July 4, 2025, may have impact on Louisiana's Medicaid program. Louisiana expanded Medicaid to individuals below 138% of the federal poverty level effective June 1, 2016. By 2023, over 700,000 additional Louisiana residents were enrolled in Medicaid due to the expansion.

Louisiana pays for its share of Medicaid (known as Healthy Louisiana) with a combination of general state funds, provider (certain hospital) assessments and intergovernmental transfers. The potential impact of Medicaid reductions to Louisiana Medicaid have been estimated as much as $1.5 billion over 10 years. These reductions may be the result of reductions in provider assessments and distributions to hospitals through the state's directed payment program (DPP).

Other provisions in the OBBBA, such as work requirements and more frequent redeterminations of eligibility are not expected to have material impacts considering the population Louisiana Medicaid serves.

The Centers for Medicare and Medicaid Services ("CMS") issued an Informational Bulletin in April 2024 expressing enforcement action plans beginning January 1, 2028, of the statutory and regulatory prohibition on hold harmless arrangements involving the redistribution of provider payments. Although CMS will not be taking immediate enforcement actions, CMS will increase its scrutiny of hold harmless arrangements in conjunction with reviews of health care-related tax waiver requests and state payment proposals funded, at least in part, by health care-related taxes. Louisiana is actively planning for a new hospital Medicaid distribution model by fiscal year 2028 that aligns with regulatory requirements, with substantial changes expected.

Provisions of the OBBBA could negatively impact Medicaid eligibility and enrollment beginning in 2027 and also cause a reduction in intergovernmental transfer (IGT) revenue annually beginning in 2029. If the OBBBA has a negative impact on the Medicaid enrollment, beginning in 2027 the District would still provide services to those patients who are currently Medicaid enrollees, but these patients would no longer be insured and management anticipates these patients would ultimately be considered uncollectible charity care. Additionally, beginning in 2029 the District could potentially see a reduction in IGT revenue. If the Medicaid payor mix and IGT revenue were to be negatively impacted in relation to OBBBA (at the level that is being presently discussed), the District could possibly see a reduction of approximately $906,000 and $970,000 to net patient revenue in 2029 and 2030, respectively, and the debt service coverage would be:

Possible Impact of OBBBA on Medicaid & IGT Revenue - Hospital Only

	2029	2030
Change in Net Position	$ 64,000	$ 218,000
Medicaid and Intergovernmental Transfer Reduction	(906,000)	(970,000)
Adjusted Net Position	$ (842,000)	$ (752,000)
Depreciation and Amortization	5,923,000	5,852,000
Interest	3,130,000	3,091,000
Income Available for Debt Service	8,211,000	8,191,000
Debt Service	4,248,000	4,249,000
Debt Service Coverage Ratio	1.93	1.93

OBBBA authorized $50 billion in funding over a 5-year period (FY 2026-2030) to states for approved Rural Health Transformation Plans (RHTP). OBBBA was designed to help offset expected financial challenges faced by rural healthcare providers, like the District, considering other significant OBBBA changes in the Medicaid programs including approximately $1 trillion in Medicaid cuts.

In connection with the RHTP funded by OBBBA, the Centers for Medicare and Medicaid Services (CMS) published the Notice of Program Funding Opportunity (NOFO) for the RHTP program on September 15, 2025. Louisiana made timely application to CMS, securing federal funds for use in Louisiana under the RHTP program. On December 29, 2025, CMS awarded Louisiana $208,374,448 for use in 2026 to meet the objectives stated in the Louisiana application. These funds will be administered by the Louisiana Department of Health (LDH) as the federal recipient. Subsequent awards are expected for 2027 – 2030.

RHTP funding is to be used to: (a) strengthen rural providers so they can remain viable and continue serving their populations; (b) invest in innovation technologies infrastructure that enable rural health providers to proactively adapt to changes in the healthcare industry, rather than being just reimbursed for past services; (c) support workforce recruitment, retention and training of healthcare workforce in rural settings; and (d) develop longer-term sustainability plans to improve provider care models and patient outcomes in rural areas.

LDH has published Notices of Funding Opportunities and other guidance regarding funding opportunities from the RHTP. The District expects to submit applications for funding to LDH under respective grant opportunities

for recruitment and retention, capital equipment, technology and other opportunities. There is no assurance the District will be awarded funds from RHTP, the purpose or accompanying restrictions of the funds. The District has not estimated any financial impact of potential RHTP funds.

Financial Data—Historical

The following financial data is derived from the audited consolidated financial statements of the District and affiliates (including for such purpose, the Foundation). The report on the audited consolidated financial statements for the two fiscal years ended September 30, 2025, and 2024 appears in APPENDIX B to this Official Statement. Copies of the audited consolidated financial statements for prior years, including the years ended September 30, 2025, 2024 and 2023, are available on the Louisiana Legislative Auditor website (lla.la.gov). The financial data for the seven-month periods ended April 30, 2026, and April 30, 2025 is derived from unaudited consolidated financial statements. Operating results as of and for the seven months ended April 30, 2026, are not necessarily indicative of the results that may be expected for the entire year ending September 30, 2026.

The financial statements presented in Appendix B reflect the combined operations of the Hospital and Clinics and the Delhi Community Health Center. Notwithstanding such combined presentation, only the revenues of the Hospital and Clinics are pledged to the payment of the Notes; the revenues of the Delhi Community Health Center are not pledged to, and do not secure, the Notes. The Audit Report's Supplementary Information includes Combining Statements of (a) Net Position and (b) Revenue, Expenses and Changes in Net Position, for the Hospital and clinics and The Delhi Community Health Center.

Table 10.
Statements of Revenues, Expenses and Changes in Net Position (Hospital and Clinics Only)

	Fiscal Year Ended Sept 30,			Seven Months Ended Apr 30, [1]	
	2023	**2024**	**2025**	**2025[1]**	**2026[1]**
Operating Revenues					
Net patient service revenue[2]	$26,444,610	$26,936,884	$28,644,113	$17,565,118	$16,328,359
Other operating revenue	1,732,736	2,082,491	2,373,567	1,248,742	1,091,305
Total operating revenues	28,177,349	29,019,375	31,017,680	18,813,860	17,419,664
Operating Expenses					
Salaries and wages	12,531,925	13,130,925	13,986,143	7,896,451	8,188,491
Employee benefits	2,950,838	3,547,446	3,638,647	2,152,025	1,496,750
Purchased services and professional fees	4,148,348	4,522,776	5,251,311	2,670,242	2,986,526
Supplies and other	5,360,530	6,214,483	7,083,526	4,340,828	4,116,621
Depreciation and amortization	568,782	651,980	595,832	349,016	322,347
Total operating expenses	25,560,423	28,067,610	30,555,459	17,408,562	17,110,735
Operating Income	2,616,923	951,765	462,221	1,405,298	308,929
Nonoperating Revenues					
Property taxes	846,580	911,170	980,893	399,008	491,857
Investment income	1,177,119	2,012,449	1,995,397	1,112,284	1,084,031
Employee retention tax credit	-	-	2,956,356	-	-
Noncapital grants and gifts	1,165,771	1,716,921	1,274,339	667,874	555,017
Total nonoperating revenues	3,189,470	4,640,540	7,206,985	2,179,167	2,130,905
Income Before Capital Grants	5,806,393	5,592,305	7,669,206	3,584,465	2,439,834
Capital Grants	389,145	-	-	145,833	145,833
Increase (Decrease) in Net Position	6,195,538	5,592,305	7,669,206	3,730,298	2,585,667
Net Position, Beginning of Year	40,507,916	46,703,454	52,295,759	52,295,759	59,964,965
Net Position, End of Year	$46,703,454	$52,295,759	$59,964,965	$56,026,057	$62,550,632

Note (1): Derived from unaudited financial statements of the District. (Hospital & Clinics only)
Note (2): Net of provision for uncollectible accounts; 2025 - $1,854,000, 2024 - $1,581,000, 2023 - $1,161,000

Table 11.
Statements of Net Position (Hospital and Clinics Only)

	Fiscal Year Ended Sept 30,			Seven Months Ended Apr 30,	
	2023	**2024**	**2025**	**2025[1]**	**2026[1]**
			ASSETS		
Current Assets					
Cash	$4,530,377	$4,713,955	$4,725,984	$4,829,039	$33,206,698
Certificates of Deposit	33,694,521	37,003,229	43,271,700	38,030,328	16,618,665
Patient accounts receivable[2]	2,410,513	2,244,183	2,556,930	2,330,666	2,853,787
Due from affiliate	276,742	1,198,730	58,999	1,058,510	1,113,193
Estimated amounts due from third-party payors	1,115,609	1,426,137	2,243,327	2,323,416	378,666
Grants and other receivables	810,467	492,858	473,417	477,581	792,538
Supplies	842,108	776,277	919,755	913,289	986,089
Prepaid expenses and other	369,857	239,348	255,520	418,563	446,395
Total current assets	44,050,194	48,094,717	54,505,632	50,381,392	56,396,031
Capital Assets, Net	4,718,480	6,480,999	9,008,924	8,637,520	15,538,036
Other Assets	236,088	236,088	236,088	236,088	236,088
Total Assets	49,004,762	54,811,804	63,750,644	59,255,000	66,737,311
			LIABILITIES AND NET POSITION		
Current Liabilities					
Accounts payable	1,146,947	1,020,001	1,125,253	1,971,541	835,479
Accrued expenses	968,323	1,314,533	1,017,533	484,377	1,047,207
Revenue received in advance	58,008	10,000	15,001	601,515	640,002
Estimated self-insured health insurance costs	128,030	171,511	148,170	171,511	148,170
Total current liabilities	2,301,308	2,516,045	2,305,957	3,228,943	2,670,858
Other Long-Term Liabilities[3]	-	-	1,479,722	-	1,515,821
Total Liabilities	2,301,308	2,516,045	3,785,679	3,228,943	4,186,679
Net Position					
Net investment in capital assets	4,219,277	6,094,927	9,008,924	8,637,520	52,445,440
Unrestricted	42,484,177	46,200,832	50,956,041	47,388,537	10,105,192
Total net position	46,703,454	52,295,759	59,964,965	56,026,057	62,550,632
Total Liabilities and Net Position	$49,004,762	$54,811,804	$63,750,644	$59,255,000	66,737,311

Note (1): Derived from unaudited financial statements of the District (Hospital and Clinics only).
Note (2): Net of allowance; 2025 - $2,058,000, 2024 - $2,200,000, 2023 - $1,724,000
Note (3): The remaining balance of approximately $1,479,000 of ERTC funding received by the District is included in other long-term liabilities at September 30, 2025 and will be recognized as revenue by the District when the statute of limitations expires, which is scheduled for fiscal year 2028.

Financial Metrics

Certain financial metrics of the District for fiscal years ending 2025, 2024, and 2023 are set forth below:

Table 12.
Financial Metrics – Hospital and Clinics

	2023	2024	2025
Days Cash on Hand			
Cash + Short-term Investments	$38,224,898	$41,717,184	$47,997,684
Daily Cash Operating Expenses	68,470	75,111	82,081
Days Cash on Hand	**558**	**555**	**585**
Current Ratio			
Current Ratio	**19.14x**	**19.12x**	**23.64x**
Operating Margin			
Operating Margin	**9.3%**	**3.3%**	**1.5%**
Total Margin			
Total Margin	**21.99%**	**19.27%**	**24.73%**
Days in Accounts Receivable			
Days in Accounts Receivable	**33.3**	**30.4**	**32.6**
Remaining Useful Life (years)*	**8.3**	**9.9**	**15.1**

*Based on Net Capital Assets / Annual Depreciation (accumulated depreciation not available)

Financial Data—Projected

The following financial data for the five fiscal years ended September 30, 2026, through September 30, 2030, is derived from the projected financial statements of the District and affiliates (including for such purpose, the Foundation).

Table 13.
Projected Statement of Revenues, Expenses, and Changes in Net Position

	Audited	Projected				
	2025	**2026**	**2027**	**2028**	**2029**	**2030**
Operating Revenue						
Net patient service revenue, net of provision for uncollectible accounts	$28,644,113	$27,368,000	$30,410,000	$30,820,000	$37,570,000	$38,704,000
Other	2,373,567	2,121,000	1,638,000	1,648,000	1,659,000	1,669,000
Total operating revenue	**31,017,680**	**29,489,000**	**32,048,000**	**32,468,000**	**39,229,000**	**40,373,000**
Operating Expenses						
Salaries and wages	13,986,143	14,037,000	15,068,000	15,520,000	16,185,000	16,671,000
Employee benefits	3,638,647	3,725,000	3,956,000	4,090,000	4,282,000	4,427,000
Purchased services and professional fees	5,251,311	5,455,000	6,297,000	5,951,000	5,912,000	6,230,000
Supplies and other	7,083,526	6,012,000	5,918,000	6,006,000	6,347,000	6,645,000
Depreciation and amortization	595,832	685,000	648,000	914,000	5,923,000	5,852,000
Total operating expenses	**30,555,459**	**29,914,000**	**31,887,000**	**32,481,000**	**38,649,000**	**39,825,000**
Operating Income (Loss)	**462,221**	**(425,000)**	**161,000**	**(13,000)**	**580,000**	**548,000**
Nonoperating Revenues (Expenses)						
Property taxes	980,893	975,000	975,000	975,000	975,000	975,000
Investment income	1,995,397	2,702,000	953,000	1,041,000	1,138,000	1,266,000
Interest expense	-	(423,000)	(3,259,000)	(3,258,000)	(3,130,000)	(3,072,000)
Debt issuance costs		(1,140,000)	-	(397,000)	-	-
Noncapital grants and gifts	1,274,339	1,051,000	251,000	251,000	251,000	251,000
New Markets Tax Credit		15,850,000	-	-	-	-
Congressionally Directed Spending grant		203,000	3,300,000	497,000	-	-
Employee Retention Credit	2,956,356	-	-	1,480,000	-	-
Total nonoperating revenues (expenses)	**7,206,985**	**19,218,000**	**2,220,000**	**589,000**	**(766,000)**	**(580,000)**
Income (Loss) Before Capital Grants and Gifts	7,669,206	**18,793,000**	**2,381,000**	**576,000**	**(186,000)**	**(32,000)**
Capital Grants and Gifts		250,000	250,000	250,000	250,000	250,000
Change in Net Position	**7,669,206**	**19,043,000**	**2,631,000**	**826,000**	**64,000**	**218,000**
Net Position, Beginning of Year	52,295,759	59,965,000	79,008,000	81,639,000	82,465,000	82,529,000
Net Position, End of Year	**$59,964,965**	**$79,008,000**	**$81,639,000**	**$82,465,000**	**$82,529,000**	**$82,747,000**

Table 14.
Projected Statement of Net Position (Hospital)

	Audited	Projected				
	2025	**2026**	**2027**	**2028**	**2029**	**2030**
ASSETS						
Current Assets						
Cash	$4,725,984	$66,281,000	$53,273,000	$26,124,000	$12,282,000	$20,619,000
Short-term investments - certificates of deposit	43,271,700	6,708,000	10,208,000	13,688,000	13,688,000	13,688,000
Patient accounts receivable, net of allowance	2,556,930	3,735,000	3,793,000	3,844,000	4,676,000	4,816,000
Due from affiliate	58,999	59,000	59,000	59,000	59,000	59,000
Estimated amounts due from third-party payors	2,243,327	1,441,000	1,441,000	1,441,000	1,441,000	1,441,000
Grant and other receivables	473,417	513,000	222,000	222,000	222,000	222,000
Supplies	919,755	886,000	925,000	965,000	1,060,000	1,104,000
Prepaid expenses and others	255,520	273,000	285,000	297,000	326,000	340,000
Total current assets	**54,505,632**	**79,896,000**	**70,206,000**	**46,640,000**	**33,754,000**	**42,289,000**
Assets Limited as to Use	-	51,715,000	20,144,000	-	17,600,000	13,833,000
Capital Assets, Net	9,008,924	14,011,000	57,984,000	101,038,000	95,365,000	89,763,000
Other Assets	236,088	236,000	236,000	236,000	236,000	236,000
Total assets	**63,750,644**	**145,858,000**	**148,570,000**	**147,914,000**	**146,955,000**	**146,121,000**
LIABILITIES AND NET POSITION						
Current Liabilities						
Current maturities of long-term debt	-	-	-	1,118,000	1,178,000	1,239,000
Accounts payable	1,125,253	1,089,000	1,160,000	1,136,000	1,165,000	1,223,000
Accrued expenses	1,017,533	1,484,000	1,498,000	1,514,000	1,570,000	1,630,000
Revenue received in advance	15,001	40,000	40,000	40,000	40,000	40,000
Estimated self-insured health insurance costs	148,170	**196,000**	192,000	198,000	208,000	215,000
Total current liabilities	**2,305,957**	**2,809,000**	**2,890,000**	**4,006,000**	**4,161,000**	**4,347,000**
Long-Term Debt		62,561,000	62,561,000	61,443,000	60,265,000	59,027,000
Other Long-Term Liabilities	1,479,722	1,480,000	1,480,000	-	-	-
Total liabilities	**3,785,679**	**66,850,000**	**66,931,000**	**65,449,000**	**64,426,000**	**63,374,000**
Net Position						
Net investment in capital assets	9,008,924	(48,550,000)	(4,577,000)	38,477,000	33,922,000	29,497,000
Unrestricted	50,956,041	127,558,000	86,216,000	43,988,000	48,607,000	53,250,000
Total net position	**59,964,965**	**79,008,000**	**81,639,000**	**82,465,000**	**82,529,000**	**82,747,000**
Total liabilities and net position	**$63,750,644**	**$145,858,000**	**$148,570,000**	**$147,914,000**	**$146,955,000**	**$146,121,000**

Management's Discussion of Utilization and Financial Information

Fiscal Years Ended September 30, 2025 and 2024

Management's discussion and analysis of the financial statements for the fiscal year ended September 30, 2025, can be found in the audited financial statements attached to this Official Statement as APPENDIX B.

In addition to the factors described above, management notes that regional economic development, including the ongoing construction of the Meta data center in Richland Parish, may contribute to future demand for healthcare services. While measurable impacts have not yet been fully realized in the current reporting period, management anticipates that construction-related population increases and longer-term employment growth may support patient volume trends in future periods.

The extent to which such development will translate into incremental utilization or improved financial performance remains subject to uncertainty and will depend on the pace of construction, workforce residency patterns, and broader economic conditions.

Seven-Months Ended April 30, 2026

The District reported net patient revenue of $19.7MM for the seven months ended April 30,2026. This amount is approximately 58% of the amount FY 2025 and is therefore on track for a total FY 2026 similar to FY 2025. Patient services continued with a strong demand for both inpatient and outpatient services similar to FY 2025. Other operating revenues, consisting primarily of 340B contract revenue, is consistent with FY 2025. Grant revenue, both operating and noncapital grants, is consistent with FY 2025. As noted in management's discussion in the audit reports, noncapital grant revenue is derived from various reimbursement grants. Expenses related to these grants are reported in operating expenses. In FY 2025 the District reported revenue from Employee Retention Tax Credits (ERTC) of approximately $4MM. The ERTC reported in 2025 was the amount released from audit and statute of limitations. The District continues to reserve an additional ERTC amount of approximately $2.1MM as internally designated restricted funds. These amounts will be recognized after the audit and statute of limitations period expires in 2028.

The District reported total operating expenses of $22.4MM for the seven months ended April 30, 2026. This amount represents approximately 55% of the total expenses reported FY 2025. At this pace, the total expenses FY 2026 may be approximately $1.7MM less than FY 2025. The largest decrease in 2026 compared to 2025 is in employee benefits that may project an annualized decrease of $1.4MM. The District expects the rate of expenses to increase in the remaining months of FY 2026 caused by increased employee benefits and expenses related to the implementation of the Oracle electronic health record. In addition, expected financing costs related to the project financing and interest during construction will be reported as incurred.

The increase in net position for the seven months of $3.7MM compares favorably with the FY 2025 amount of $5.9MM (excluding the ERTC income).

DEBT STRUCTURE

Outstanding Debt

After giving effect to the plan of financing and the USDA take-out of the Notes, the District and its affiliates will have the following debt outstanding:

Table 15.
Outstanding Debt

	Principal Balance Outstanding	Final Maturity
Long-Term Debt		
USDA Direct Loan Bonds	$70,100,000	2058
Bank Loan Bonds	9,000,000	2046
Total Debt	$79,100,000	

Additional Debt

The District currently does not have definitive plans that it will incur significant amounts of additional debt in the next 3 years to finance capital improvements to its facilities or refund existing indebtedness. This expectation could change depending on the District's assessment of the need to finance future expansion projects or market conditions.

Annual Debt Service Requirements for Long-Term Debt

The following table contains the annual debt service requirements on all long-term debt of the District and its affiliates that will be outstanding after the plan of financing is completed.

Table 16.
Annual Debt Service Requirements

Fiscal Year (ending Sept. 30)	USDA Direct Loan Bonds Principal and Interest[(1)]	Bank Loan Bonds Principal and Interest[(1)]	Total Debt Service [(1)]
2027	-	$720,000	$720,000
2028	-	720,000	720,000
2029	$3,288,210	960,319	4,248,529
2030	3,288,210	960,319	4,248,529
2031	3,288,210	960,319	4,248,529
2032	3,288,210	960,319	4,248,529
2033	3,288,210	960,319	4,248,529
2034	3,288,210	960,319	4,248,529
2035	3,288,210	960,319	4,248,529
2036	3,288,210	960,319	4,248,529
2037	3,288,210	960,319	4,248,529
2038	3,288,210	960,319	4,248,529
2039	3,288,210	960,319	4,248,529
2040	3,288,210	960,319	4,248,529
2041	3,288,210	960,319	4,248,529
2042	3,288,210	960,319	4,248,529
2043	3,288,210	960,319	4,248,529
2044	3,288,210	960,319	4,248,529
2045	3,288,210	960,319	4,248,529
2046	3,288,210	960,319	4,248,529
2047	3,288,210	-	4,248,529
2048	3,288,210	-	4,248,529
2049	3,288,210	-	3,288,210
2050	3,288,210	-	3,288,210
2051	3,288,210	-	3,288,210
2052	3,288,210	-	3,288,210
2053	3,288,210	-	3,288,210
2054	3,288,210	-	3,288,210
2055	3,288,210	-	3,288,210
2056	3,288,210	-	3,288,210
2057	3,288,210	-	3,288,210
2058	3,288,210	-	3,288,210
Total	**$98,646,303**	**$17,285,740**	**$115,932,043**

Note (1): Totals may not foot due to rounding.

Financial Ratios

The following table contains certain liquidity and debt service coverage ratios for the Hospital's (excluding the Delhi Community Health Center) long-term debt, after issuance of the Notes. Information in this table was obtained from the District. All amounts in the table below are rounded to the nearest dollar; totals may not sum due to rounding.

Table 17.
Financial Ratios

Projected Debt Service Coverage Ratio - Hospital Only		
	2029	**2030**
Change in Net Position	$ 64,000	$ 218,000
Depreciation and Amortization	5,923,000	5,852,000
Interest	3,130,000	3,072,000
Income Available for Debt Service	9,117,000	9,142,000
Debt Service[(1)]	4,248,000	4,249,000
Debt Service Coverage Ratio	2.15	2.15

[(1)]Estimated annual debt service payments on USDA Direct Loan Bonds and the Bank Loan Bonds

Source: Management

Projected Days Cash on Hand - Hospital Only		
	2029	**2030**
Cash	$ 12,282,000	$ 20,619,000
Short-term Investments / Certificates of Deposit	13,688,000	13,688,000
Unrestricted Cash on Hand	25,970,000	34,307,000
Cash Operating Expenses	35,856,000	37,045,000
Days Cash on Hand	264	338

Employee Recruitment and Retention

The District currently employs approximately 300 people, including 85 nurses. None of the District's employees are represented by a union and management considers its relations with employees to be strong. District Management recognizes the importance of fostering a positive work environment. Employee engagement activities are conducted year round to offer opportunities for encouragement and collaboration.

The District also recognizes that large-scale economic developments in the region, including the Meta data center project, may influence labor market conditions. Increased demand for skilled and semi-skilled labor may result in upward pressure on wages and competition for certain workforce categories.

At the same time, regional growth may enhance the attractiveness of the area to healthcare professionals and support long-term recruitment efforts. The District continues to focus on proactive workforce strategies to maintain staffing levels necessary to meet anticipated increases in service demand.

The District has implemented a multi-pronged employee recruitment and retention approach:

1. Scholarship Program with Service Commitments
   a. Scholarships are provided to students in healthcare-related fields (e.g., physicians, nursing, occupational therapy, radiology tech) in exchange for a commitment to work at the hospital post-graduation.
   b. This includes students currently in medical school, residency, and allied health programs, creating a pipeline for local talent.

2. Recruitment Outreach to Local Schools and Colleges
   a. The District actively recruits through high schools, trade schools, community colleges, and universities, ensuring outreach to individuals who may not yet have advanced degrees.
   b. Participation in career fairs and partnerships with organizations like Central Louisiana Area Health Education Center (CLAHEC) and 3RNet help reach underserved populations.

3. On-the-Job Training and Internships
   a. The District offers on-the-job training for entry-level roles such as phlebotomists and medical assistants, which do not require prior experience.
   b. Nursing internships and tuition assistance are available to support career advancement.

4. Partnerships with Workforce Agencies
   a. The District works with the Louisiana Workforce Commission and LA Workforce Development Board 83 to ensure job postings and recruitment efforts are targeted to low-income individuals and those facing employment barriers.

RPH offers a robust employee benefits package. Following are some of the services provided to District Employees:

a. Counseling & Mental Health Support
   Employees have access to Counseling & Mental Health Support through District providers at no cost. The behavioral health program, Wellpath Solutions, offers screening, counseling and medication oversight.
b. Work-Life Services
   The HR Director assists employees with personal and/or work-related concerns, such as stress, financial issues, legal issues, and family problems to access additional services as needed.
c. Financial Counseling –
   Financial counseling is provided to Employees at no cost through a Retirement Plan Consultant & Financial Advisor with UBS Financial Services. Assistance is offered through quarterly onsite

sessions, virtual sessions as requested, webinars, monthly newsletters and other educational articles based on current market and environment situations.

d. Substance Use Support
Employees have access to Substance Use Support through District providers at no cost. The Wellpath program offers Substance Use Counseling, both individual and support groups, and medication assisted treatment programs.

e. Crisis & Emergency Support
Employees have access to Crisis & Emergency Support through District providers at no cost. The District has an Emergency Room Department that is available 24 hours per day and seven days per week. Resources are available through Licensed Practical Counselors (LPCs), Licensed Clinical Social Workers (LCSWs), and an HR Department to assist employees in crisis situations.

f. Health & Wellness Resources
The District offers various Health & Wellness Resources to its employees at no charge. Services include wellness visits with a primary care provider that focus on prevention, risk assessment and overall wellbeing. The District sponsors Employee Wellness activities such as the employee favorite annual Maintain Don't Gain Holiday Challenge to encourage and support employees to maintain a healthy lifestyle during the holidays. The District also provides a membership for the employee and family members to the local Anytime Fitness gym.

g. Manager & Supervisor Support
The District offers Manager & Supervisor Support through guidance and consultation. Supervisors are supported and enable to effectively identify, interact with, and refer employees with performance or conduct issues for the appropriate assistance.

h. Confidentiality & Privacy
All Employee Assistance Program services are confidential and any employee information is kept private.

Approximately 85% of management and executive-level positions have historically been filled through internal promotions. Only recently did the District have to look outside the organization to hire a Project Director for the new hospital construction department and an IT Director because the staff with the necessary skill set are already serving in other management positions.

Licensure

The District is licensed by the Louisiana Department of Health and is fully certified by CMS. The District's most recent survey by the Louisiana Department of Health was conducted in 2022. The District also has various department and program specific accreditations.

Benefit Plans

In January 1993, the District elected to withdraw from the Social Security System. In place of the Social Security System, the District has a defined contribution 401(a) benefit plan that includes a 414H contribution plan with an employer match and a 457 elective deferral compensation plan. Nationwide Trust Company is the plan administrator. Benefit provisions are contained in the plan document and were established and can be amended by action of the District's governing body.

For more information regarding the benefit plans sponsored by the District, see the audited financial statements included in APPENDIX B.

Insurance Programs

The District participates in the Louisiana Patients' Compensation Fund established by the State of Louisiana to provide medical professional liability coverage to healthcare providers. The fund provides $400,000 in coverage per occurrence above the first $100,000 per occurrence. The first $100,000 is covered by the Louisiana Hospital Association Malpractice and General Liability Trust. There is not a limitation placed on the number of occurrences covered.

The District also participates in the Louisiana Hospital Association Malpractice and General Liability Trust for professional and general liability coverage. The general liability covers property damage, bodily injury, medical expenses, personal and advertising injury claims and legal costs. The limits are reviewed annually and are considered sufficient for hospital operations the District's size.

Substantially all of the District's employees and their dependents are eligible to participate in the District's employee health insurance plan. The District is self-insured for health claims of participating employees and dependents up to an annual aggregate amount of $45,000. Commercial stop-loss insurance coverage is purchased for claims in excess of the aggregate annual amount.

The District participates in the Louisiana Hospital Association's Self-Insurance Workmen's Compensation Trust Fund. Should the Fund's assets not be adequate to cover claims made against it, the District may be assessed its pro rata share of the resulting deficit. It is not possible to estimate the amount of assessments, if any, under this program. The portion of the Fund that is refundable to the District is included in other assets.

For more information regarding the insurance coverage held by the District, see the audited financial statements included in APPENDIX B.

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APPENDIX B

FINANCIAL STATEMENTS
OF
HOSPITAL SERVICE DISTRICT NO. 1A
OF THE PARISH OF RICHLAND, STATE OF LOUISIANA

The financial statements presented herein reflect the combined operations of the Hospital and the Delhi Community Health Center. Notwithstanding such combined presentation, only the revenues of the Hospital are pledged to the payment of the Notes; the revenues of the Health Center are not pledged to, and do not secure, the Notes. The Audit Report's Supplementary Information includes Combining Statements of (a) Net Position and (b) Revenue, Expenses and Changes in Net Position, for the Hospital and The Delhi Community Health Center.

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Hospital Service District No. 1A of the Parish of Richland d.b.a. Richland Parish Hospital

A Component Unit of Richland Parish Police Jury

Independent Auditor's Reports, Financial Statements, and Supplementary Information

September 30, 2025 and 2024

Hospital Service District No. 1A of the Parish of Richland d.b.a. Richland Parish Hospital
A Component Unit of Richland Parish Police Jury
Contents
September 30, 2025 and 2024

Forvis Mazars, LLP
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Independent Auditor's Report

Board of Commissioners
Hospital Service District No. 1A of the Parish of Richland
d.b.a. Richland Parish Hospital
A Component Unit of Richland Parish Police Jury
Delhi, Louisiana

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Hospital Service District No. 1A of the Parish of Richland d.b.a. Richland Parish Hospital (District), a component unit of Richland Parish Police Jury, as of and for the years ended September 30, 2025 and 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the District as of September 30, 2025 and 2024 and the changes in financial position and its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, 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 Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 and *Government Auditing Standards* 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 financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the 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 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 District'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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District'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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The schedule of compensation, benefits,

and other payments to agency head or chief executive officer; combining statement of net position; and combining statement of revenues, expenses, and changes in net position listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic 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 basic financial statements.

The schedule of compensation, benefits, and other payments to agency head or chief executive officer has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic 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 basic financial statements as a whole.

The combining statement of net position and combining statement of revenues, expenses, and changes in net position have not been subjected to the auditing procedures applied in the audits of the financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 27, 2026 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Forvis Mazars, LLP

Dallas, Texas
February 27, 2026

Introduction

This management's discussion and analysis of the financial performance of Hospital Service District No. 1A of the Parish of Richland d.b.a. Richland Parish Hospital (District), a component unit of Richland Parish Police Jury, provides an overview of the District's financial activities for the years ended September 30, 2025 and 2024. It should be read in conjunction with the accompanying financial statements of the District.

Financial Highlights

- Cash and investments increased in 2025 by $8,624,844, or 18%, and increased in 2024 by $4,924,671, or 11%.
- The District's net position increased by $9,993,961 and $7,007,635 in 2025 and 2024, respectively.
- The District reported operating income of $1,065,124 and $1,623,464 in 2025 and 2024, respectively.
- Net nonoperating revenues increased by $3,544,563, or 70%, in 2025 compared to 2024 and increased by $1,632,269, or 47%, in 2024 compared to 2023.

Using This Annual Report

The District's financial statements consist of three statements—a statement of net position; a statement of revenues, expenses, and changes in net position; and a statement of cash flows. These statements provide information about the activities of the District, including resources held by the District but restricted for specific purposes by creditors, contributors, grantors, or enabling legislation. The District is accounted for as a business-type activity and presents its financial statements using the economic resources measurement focus and the accrual basis of accounting.

The Statement of Net Position and Statement of Revenues, Expenses, and Changes in Net Position

One of the most important questions asked about any hospital's finances is "Is the hospital as a whole better or worse off as a result of the year's activities?" The statement of net position and statement of revenues, expenses, and changes in net position report information about the District's resources and its activities in a way that helps answer this question. These statements include all restricted and unrestricted assets and all liabilities using the accrual basis of accounting. Using the accrual basis of accounting means that all of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the District's net position and changes in them. The District's total net position—the difference between assets and liabilities—is one measure of the District's financial health or financial position. Over time, increases or decreases in the District's net position are an indicator of whether its financial health is improving or deteriorating. Other nonfinancial factors, such as changes in the District's patient base, changes in legislation and regulations, measures of the quantity and quality of services provided to its patients, and local economic factors, should also be considered to assess the overall financial health of the District.

The Statement of Cash Flows

The statement of cash flows reports cash receipts, cash payments, and net changes in cash and cash equivalents resulting from four defined types of activities. It provides answers to such questions as where did cash come from, what was cash used for, and what was the change in cash and cash equivalents during the reporting period.

The District's Net Position

The District's net position is the difference between its assets and liabilities reported in the statements of net position. The District's net position increased by $9,993,961, or 15%, in 2025 over 2024 and by $7,007,635, or 12%, in 2024 over 2023, as shown in Table 1.

Table 1: Assets, Liabilities, and Net Position

	2025	2024	2023
ASSETS			
Cash and certificates of deposit	$ 56,859,016	$ 48,234,172	$ 43,309,501
Patient accounts receivable, net	3,813,769	3,855,956	3,862,549
Other current assets	5,002,107	4,008,606	3,630,590
Capital assets, net	14,652,150	12,115,624	10,334,824
Other assets	236,088	236,088	236,088
Total Assets	$ 80,563,130	$ 68,450,446	$ 61,373,552
LIABILITIES			
Current liabilities	$ 2,827,820	$ 2,746,753	$ 2,677,494
Long-term liabilities	2,037,656	-	-
Total Liabilities	4,865,476	2,746,753	2,677,494
NET POSITION			
Net investment in capital assets	14,517,530	11,729,552	9,835,621
Unrestricted	61,180,124	53,974,141	48,860,437
Total Net Position	75,697,654	65,703,693	58,696,058
Total Liabilities and Net Position	$ 80,563,130	$ 68,450,446	$ 61,373,552

The most significant change in the District's financial position from 2024 to 2025 was the increase in cash and certificates of deposit of $8,624,844. The District had an operating income of $1,065,124 and nonoperating revenues of $8,646,000, which contributed to the increase in cash and certificates of deposit.

The District also applied for and received approximately $2,040,000 of Employee Retention Credit (ERC) for the third quarter of calendar year 2021. Because of the uncertainly of the allowable credit, the District has elected to defer this revenue until the statute of limitations expires in fiscal year 2028. Accordingly, this is classified as other long-term liabilities in the accompanying statements of net position. The District's Board has designated certificates of deposit balances totaling approximately $2,040,000 to be restricted internally for repayment of the ERC.

The most significant change in the District's financial position from 2023 to 2024 was the increase in cash and certificates of deposit of $4,924,671. The District had an operating income of $1,623,464 and nonoperating revenues of $5,101,437, which contributed to the increase in cash and certificates of deposit.

Operating Results and Changes in the District's Net Position

In 2025 and 2024, the District's net position increased by $9,993,961 and $7,007,635, respectively, as shown in Table 2.

Table 2: Operating Results and Changes in Net Position

	2025	2024	2023
Operating Revenues			
Net patient service revenue	$ 33,943,231	$ 32,086,644	$31,308,408
Grant revenue	2,418,432	2,343,690	3,121,409
Other	4,939,075	4,092,754	2,964,581
Total Operating Revenues	41,300,738	38,523,088	37,394,398
Operating Expenses			
Salaries and wages	18,891,639	17,875,436	17,144,693
Employee benefits	4,893,794	4,677,030	3,898,658
Purchased services and professional fees	5,869,377	4,935,668	4,581,901
Supplies and other	9,574,788	8,351,685	7,063,774
Depreciation and amortization	1,006,016	1,059,805	961,584
Total Operating Expenses	40,235,614	36,899,624	33,650,610
Operating Income	1,065,124	1,623,464	3,743,788
Nonoperating Revenues			
Property taxes	980,893	911,170	846,580
Investment income	2,295,696	2,256,986	1,280,998
Employee retention tax credit	4,040,575	-	-
Noncapital grants and gifts	1,328,836	1,933,281	1,341,590
Total Nonoperating Revenues	8,646,000	5,101,437	3,469,168
Capital Grants	282,837	282,734	389,145
Increase in Net Position	$ 9,993,961	$ 7,007,635	$ 7,602,101

Operating Results

The first component of the overall change in the District's net position is its operating income or loss—generally, the difference between net patient service and other operating revenues and the expenses incurred to perform those services. The District has reported operating income for the past three years, 2025, 2024, and 2023. Grants and property taxes (nonoperating revenues) levied by the District have provided additional resources to enable the District to serve lower-income and other residents.

The District reported operating income of $1,065,124 for 2025, which decreased by $558,340 compared to 2024. The primary components of the change in operating results were:

- An increase in net patient service revenue of $1,856,587, or 6%.
- An increase in total operating expenses of $3,335,990, or 9%.
- An increase in other operating revenue of $921,063, or 14%.

The District reported operating income of $1,623,464 for 2024, which decreased by $2,120,324 compared to 2023. The primary components of the change in operating results were:

- A decrease in grant revenue of $777,719, or 25%.
- An increase in total operating expenses of $3,249,014, or 10%.

Nonoperating Revenues

Nonoperating revenues, consist primarily of property taxes levied by the District, investment income, employee retention tax credit revenue, and noncapital grants and gifts. Investment income and property taxes were comparable between 2024 and 2025. Noncapital grants and gifts decreased by $604,445, or 31%, due to decreased grant funding.

The District filed amended federal payroll tax returns for the first two quarters of calendar year 2021 to claim approximately $4,041,000 of ERC resulting from the COVID-19 Public Health Emergency, which was recognized as nonoperating revenue during 2025.

Capital Grants and Gifts

The District receives both capital and operating grants from various state and federal agencies for specific programs. The District received capital grants and gifts of $282,837 and $282,734 in 2025 and 2024, respectively.

Grant Expenses

The District actively applies for available state and federal grants. A majority of the grants are reimbursement grants requiring the District to spend the money for an approved purchase and then request reimbursement from the grantor. The revenues and expenses associated with these grants generally offset each other. The District recorded approximately $1,329,000 and $1,933,000 of noncapital grants and gifts in 2025 and 2024, respectively; however, the expenses associated with these grant receipts have been recorded in operating expenses for each year.

The District's Cash Flows

Changes in the District's cash flows are consistent with changes in operating income and nonoperating revenues and expenses for 2025 and 2024, as discussed earlier.

Capital Assets

At September 30, 2025 and 2024, the District had $14,652,150 and $12,115,624, respectively, of net capital assets, as detailed in Note 5 to the financial statements.

Contacting the District's Financial Management

This financial report is designed to provide our patients, suppliers, taxpayers, and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. Questions about this report and requests for additional financial information should be directed to the District's Chief Executive Officer at Hospital Service District No. 1A of the Parish of Richland, 407 Cincinnati Street, Delhi, Louisiana 71232 or calling 318.878.5171.

Hospital Service District No. 1A of the Parish of Richland d.b.a. Richland Parish Hospital
A Component Unit of Richland Parish Police Jury
Statements of Net Position
September 30, 2025 and 2024

	2025	2024
ASSETS		
Current Assets		
Cash	$ 7,676,091	$ 8,606,961
Certificates of deposit	47,145,269	39,627,211
Patient accounts receivable, net of allowance; 2025 – $2,551,000, 2024 – $2,681,000	3,813,769	3,855,956
Estimated amounts due from third-party payors	2,300,367	1,459,143
Grant and other receivables	1,316,767	1,333,690
Supplies	1,089,321	929,352
Prepaid expenses and other	295,652	286,421
Total Current Assets	63,637,236	56,098,734
Certificates of Deposit, Internally Designated	2,037,656	-
Capital Assets, Net	14,652,150	12,115,624
Other Assets	236,088	236,088
Total Assets	$ 80,563,130	$ 68,450,446
LIABILITIES AND NET POSITION		
Current Liabilities		
Accounts payable	$ 1,489,943	$ 1,117,521
Accrued expenses	1,149,569	1,427,721
Revenue received in advance	40,138	30,000
Estimated self-insured health insurance costs	148,170	171,511
Total Current Liabilities	2,827,820	2,746,753
Other Long-Term Liabilities	2,037,656	-
Total Liabilities	4,865,476	2,746,753
Net Position		
Net investment in capital assets	14,517,530	11,729,552
Unrestricted	61,180,124	53,974,141
Total Net Position	75,697,654	65,703,693
Total Liabilities and Net Position	$ 80,563,130	$ 68,450,446

Hospital Service District No. 1A of the Parish of Richland d.b.a. Richland Parish Hospital
A Component Unit of Richland Parish Police Jury
Statements of Revenues, Expenses, and Changes in Net Position
Years Ended September 30, 2025 and 2024

	2025	2024
Operating Revenues		
Net patient service revenue, net of provision for uncollectible accounts; 2025 – $2,072,000, 2024 – $1,928,000	$ 33,943,231	$ 32,086,644
Grant revenue	2,418,432	2,343,690
Other	4,939,075	4,092,754
Total Operating Revenues	41,300,738	38,523,088
Operating Expenses		
Salaries and wages	18,891,639	17,875,436
Employee benefits	4,893,794	4,677,030
Purchased services and professional fees	5,869,377	4,935,668
Supplies and other	9,574,788	8,351,685
Depreciation and amortization	1,006,016	1,059,805
Total Operating Expenses	40,235,614	36,899,624
Operating Income	1,065,124	1,623,464
Nonoperating Revenues		
Property taxes	980,893	911,170
Investment income	2,295,696	2,256,986
Employee retention tax credit	4,040,575	-
Noncapital grants and gifts	1,328,836	1,933,281
Total Nonoperating Revenues	8,646,000	5,101,437
Income Before Capital Grants	9,711,124	6,724,901
Capital Grants	282,837	282,734
Increase in Net Position	9,993,961	7,007,635
Net Position, Beginning of Year	65,703,693	58,696,058
Net Position, End of Year	$ 75,697,654	$ 65,703,693

Hospital Service District No. 1A of the Parish of Richland d.b.a. Richland Parish Hospital
A Component Unit of Richland Parish Police Jury
Statements of Cash Flows
Years Ended September 30, 2025 and 2024

	2025	2024
Cash Flows From Operating Activities		
Receipts from and on behalf of patients	$ 33,238,335	$ 31,982,731
Payments to suppliers and contractors	(15,139,262)	(13,263,637)
Payments to employees	(24,112,043)	(22,319,783)
Other receipts, net	7,349,462	5,724,833
Net Cash Provided by Operating Activities	1,336,492	2,124,144
Cash Flows From Noncapital Financing Activities		
Property taxes supporting operations	980,893	911,170
Receipt of employee retention tax credit	6,045,985	-
Noncapital grants and gifts	1,476,935	2,013,706
Net Cash Provided by Noncapital Financing Activities	8,503,813	2,924,876
Cash Flows From Capital and Related Financing Activities		
Capital grants and gifts	282,837	671,879
Purchase of capital assets	(3,793,994)	(3,025,206)
Net Cash Used in Capital and Related Financing Activities	(3,511,157)	(2,353,327)
Cash Flows From Investing Activities		
Interest on investments	2,295,696	2,228,978
Purchase of investments	(49,182,925)	(39,366,737)
Proceeds from disposition of investments	39,627,211	34,456,536
Net Cash Used in Investing Activities	(7,260,018)	(2,681,223)
Increase (Decrease) in Cash	(930,870)	14,470
Cash, Beginning of Year	8,606,961	8,592,491
Cash, End of Year	$ 7,676,091	$ 8,606,961

Hospital Service District No. 1A of the Parish of Richland d.b.a. Richland Parish Hospital
A Component Unit of Richland Parish Police Jury
Statements of Cash Flows
Years Ended September 30, 2025 and 2024 **(Continued)**

	2025	2024
Reconciliation of Operating Income to Net Cash Provided by Operating Activities		
Operating income	$ 1,065,124	$ 1,623,464
Depreciation and amortization	1,006,016	1,059,805
Provision for uncollectible accounts	2,072,161	1,927,806
Changes in operating assets and liabilities		
Patient accounts receivable	(2,029,974)	(1,921,213)
Estimated amounts due from third-party payors	(841,224)	(295,590)
Accounts payable and accrued expenses	322,381	210,398
Other assets and liabilities	(257,992)	(480,526)
Net Cash Provided by Operating Activities	$ 1,336,492	$ 2,124,144
Noncash Investing, Capital, and Financing Activities		
Capital asset acquisitions included in accounts payable and accrued expenses	$ 134,620	$ 386,072

Note 1. Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations and Reporting Entity

Hospital Service District No. 1A of the Parish of Richland d.b.a. Richland Parish Hospital (District) is located in Delhi, Louisiana. The District was created on April 18, 1989 by the Richland Parish Police Jury. It is comprised of and embraces the territory contained within Ward 1 of the Parish of Richland, State of Louisiana, as constituted as of the date of the ordinance. It is a critical access hospital that provides inpatient, outpatient, and emergency care services for the residents of Delhi and the surrounding area. Admitting physicians are primarily practitioners in the local area.

Effective October 1, 1989, Richland Parish Hospital Service District No. 1 transferred operations of the District in Delhi, Louisiana, to Hospital Service District No. 1A of the Parish of Richland d.b.a. Richland Parish Hospital, along with all related assets, liabilities, and equity.

The District operates and manages a Federally Qualified Health Center (FQHC) d.b.a. Delhi Community Health Center. The FQHC began operations on October 8, 2012. The FQHC earns revenues by providing primary and preventive health, behavioral health, and dental care to indigent and low-income patients in the same geographic area and grants funding from the U.S. Department of Health and Human Services in support of its commitment to provide services to a higher percentage of indigent patients. The FQHC is considered an operating division of the District.

Richland Health Services, Inc. (RHI) is a separate, nonprofit corporation, which was organized exclusively to provide the required governance and oversight as stipulated by program guidelines for “Public Entity” models of the FQHC’s operations for the delivery of primary and preventive healthcare services to the underserved populations in the same geographic area and does not have financial transactions. The RHI board of directors does not have the same composition as the District’s board of commissioners. The District and RHI, through a co-applicant agreement, collaboratively operate the FQHC clinics. RHI is considered an affiliate rather than a component unit of the District.

The District is a political subdivision of the Richland Parish Police Jury whose jurors are elected officials. The District’s commissioners are appointed by the Richland Parish Police Jury. As the governing authority of the parish for reporting purposes, the Richland Parish Police Jury is the financial reporting entity for the District. Accordingly, the District was determined to be a component unit of the Richland Parish Police Jury. The accompanying financial statements present information only on the funds maintained by the District.

Affiliated organizations include Richland Parish Hospital Service District No. 1, Richland Parish Hospital Service District No. 1B, and the Richland Parish Police Jury. The districts are related because they are all political subdivisions of the Richland Parish Police Jury, who appoints their commissioners. The Delhi Health Care Foundation (Foundation) is a 501(c)3 nonprofit health organization established in order to promote and support the District in the provision of healthcare. The Foundation is a separate legal entity but is financially integrated with the District and is reported as a blended component unit of the District and does not issue separate financial statements. The Foundation had no activity during 2025 and 2024.

Basis of Accounting and Presentation

The financial statements of the District have been prepared on the accrual basis of accounting using the economic resources measurement focus. Revenues, expenses, gains, losses, assets, and liabilities from exchange and exchange-like transactions are recognized when the exchange transaction takes place, while those from government-mandated or voluntary nonexchange transactions (principally federal and state grants) are recognized when all applicable eligibility requirements are met. Operating revenues and expenses include exchange transactions and program-specific, government-mandated, or voluntary nonexchange transactions. Government-mandated nonexchange transactions that are not program specific, property taxes, investment income, and interest on capital assets-related debt are included in nonoperating revenues. The District first

applies restricted net position when an expense or outlay is incurred for purposes for which both restricted and unrestricted net position are available.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Patient Accounts Receivable

The District reports patient accounts receivable for services rendered at net realizable amounts from third-party payors, patients, and others. The District provides an allowance for uncollectible accounts based upon a review of outstanding receivables, historical collection information, and existing economic conditions.

Supplies

Supply inventories are stated at the lower of cost or market. Costs are determined using the first-in, first-out method.

Investments and Investment Income

Investments in nonnegotiable certificates of deposit are carried at amortized cost.

Investment income consists primarily of interest income from certificates of deposit.

Capital Assets

Capital assets are recorded at cost at the date of acquisition or acquisition value at the date of donation if acquired by gift. Depreciation is computed using the straight-line method over the estimated useful life of each asset. The following estimated useful lives are being used by the District.

Land improvements	10–20 years
Buildings and leasehold improvements	5–40 years
Equipment	3–20 years
Furniture	3–5 years
Vehicles	2–4 years

Capital Asset Impairment

The District evaluates capital assets for impairment whenever events or circumstances indicate a significant, unexpected decline in the service utility of a capital asset has occurred. If a capital asset is tested for impairment and the magnitude of the decline in service utility is significant and unexpected, the capital asset historical cost and related accumulated depreciation are decreased proportionately such that the net decrease equals the impairment loss. No asset impairment was recognized during the years ended September 30, 2025 and 2024.

Compensated Absences

District policies permit most employees to accumulate vacation and sick leave benefits that may be realized as paid time off or, in limited circumstances, as a cash payment. A liability is accrued for compensated absences as the benefits are earned if the leave is more likely than not to be used for time off or settled in cash.

Compensated absence liabilities are computed using the regular pay and termination pay rates, as applicable, in effect at the balance sheet date plus an additional amount for salary-related payments, such as Social Security and Medicare taxes, computed using rates in effect at that date.

Risk Management

The District is exposed to various risks of loss from torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; employee injuries and illnesses; natural disasters; medical malpractice; and employee health, dental, and accident benefits. Commercial insurance coverage is purchased for claims arising from such matters other than employee health claims. Settled claims have not exceeded this commercial coverage in any of the three preceding years.

The District is self-insured for a portion of its exposure to risk of loss from employee health claims. Annual estimated provisions are accrued for the self-insured portion of employee health claims and include an estimate of the ultimate costs for both reported claims and claims incurred but not yet reported.

Workers' Compensation

The District participates in the Louisiana Hospital Association's Self-Insurance Workmen's Compensation Trust Fund (Fund). Should the Fund's assets not be adequate to cover claims made against it, the District may be assessed its pro rata share of the resulting deficit. It is not possible to estimate the amount of assessments, if any, under this program. The portion of the Fund that is refundable to the District is included in other assets.

Net Position

Net position of the District is classified in two components on its statements of net position.

Net investment in capital assets consists of capital, lease, and subscription assets net of accumulated depreciation and amortization and reduced by the outstanding balances of borrowings used to finance the purchase, use, or construction of those assets.

Unrestricted net position is the remaining net position that does not meet the definition of net investment in capital assets or restricted net position.

Net Patient Service Revenue

The District has agreements with third-party payors that provide for payments to the District at amounts different from its established rates. Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered and includes estimated retroactive revenue adjustments and a provision for uncollectible accounts. Retroactive adjustments are considered in the recognition of revenue on an estimated basis in the period the related services are rendered, and such estimated amounts are revised in future periods as adjustments become known.

Charity Care

The District provides care without charge or at amounts less than its established rates to patients meeting certain criteria under its charity care policy. Because the District does not pursue collection of amounts determined to qualify as charity care, these amounts are not reported as net patient service revenue.

Property Taxes

Since 2002, the District has levied a property tax on all property subject to taxation in the service district. In 2021, a tax continuation proposition was duly carried by a majority of votes cast. Under this proposition, the District will continue to levy a tax on all property subject to taxation in the District for a period of 10 years beginning in 2021 and ending in 2030 at a rate of 7.90 mills. Such rate may be subject to adjustment from time to time due to

reassessment. The purpose of the tax is for constructing, maintaining, improving, and operating the District. Property taxes are collected through the local sheriff's office and remitted, net of collection fees, to the District.

Property taxes are levied by the District on October 1 of each year based on the preceding January 1 assessed property values. To secure payment, an enforceable lien attaches to the property on January 1, when the value is assessed. Property taxes become due and payable when levied on October 1. This is the date on which an enforceable legal claim arises and the District records a receivable for the property tax assessment, less an allowance for uncollectible taxes. Property taxes are considered delinquent after January 31 of the following year.

The District received approximately 2% of its financial support from property taxes in both 2025 and 2024. These funds were used to support the District's operating activities.

Income Taxes

As an essential government function of the parish, the District is generally exempt from federal and state income taxes under Section 115 of the Internal Revenue Code and a similar provision of state law. However, the District is subject to federal income tax on any unrelated business taxable income.

Note 2. Net Patient Service Revenue

The District has agreements with third-party payors that provide for payments to the District at amounts different from its established rates. These payment arrangements include:

Medicare. The District is certified as a critical access hospital (CAH) by Medicare. As a CAH, the District is reimbursed for substantially all inpatient and outpatient services to Medicare beneficiaries based on reasonable costs. Additionally, as a CAH, the District's licensed beds are limited to 25, and the District's acute average length of stay may not exceed 96 hours. The District is reimbursed for substantially all services at tentative rates, with final settlement determined after submission of annual cost reports by the District and audits thereof by the Medicare administrative contractor.

Medicaid. Inpatient and outpatient services rendered to Medicaid program beneficiaries are reimbursed under a cost reimbursement methodology for certain services and at prospectively determined rates for all other services. The District is reimbursed for cost reimbursable services at tentative rates, with final settlement determined after submission of annual cost reports by the District and audits thereof by the Medicaid administrative contractor.

Other. Payment agreements with certain commercial insurance carriers, health maintenance organizations, and preferred provider organizations provide for payment to the District using prospectively determined rates per discharge, discounts from established charges, and prospectively determined daily rates.

Approximately 47% and 49% of net patient service revenue is from participation in the Medicare program and approximately 24% and 34% is from the state-sponsored Medicaid program for September 30, 2025 and 2024, respectively. Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation and change. As a result, it is reasonably possible that recorded estimates will change materially in the near term.

The District entered into a cooperative endeavor agreement (CEA) with a regional public rural hospital (Grantor), whereby the Grantor awards an intergovernmental transfer (IGT) grant to be used solely to provide adequate and essential medically necessary and available healthcare services to the District's service population subject to the availability of such grant funds. The aggregate IGT grant income was approximately $2,759,000 and $2,885,000 for the years ended September 30, 2025 and 2024, respectively, of which $2,259,000 and $2,385,000,

respectively, is included in net patient service revenue and the residual amount is included in other operating revenue.

Note 3. Deposits

Custodial credit risk is the risk that in the event of a bank failure a government's deposits may not be returned to it. The District's deposit policy for custodial credit risk requires compliance with the provisions of state law.

State law requires collateralization of all deposits with federal depository insurance or other qualified investments. The District's bank balances were as follows at September 30:

	2025	2024
Insured by Federal Deposit Insurance Corporation	$ 1,103,898	$ 1,251,000
Uninsured and uncollateralized	170,654	-
Collateralized by securities held by the pledging financial institution's Trust Department in the District's name	56,279,172	47,536,181
Total depository balance	$ 57,553,724	$ 48,787,181

Note 4. Patient Accounts Receivable

The District grants credit without collateral to its patients, many of whom are area residents and are insured under third-party payor agreements. Patient accounts receivable consisted of the following at September 30:

	2025	2024
Medicare	$ 1,784,452	$ 2,013,691
Medicaid	875,348	856,828
Other third-party payors	974,187	758,701
Patients	2,730,348	2,907,467
	6,364,335	6,536,687
Less allowance for uncollectible accounts	2,550,566	2,680,731
	$ 3,813,769	$ 3,855,956

Note 5. Capital Assets

Capital assets activity was as follows for the years ended September 30:

	Beginning Balance	Additions	Disposals	Transfers/ Adjustments	Ending Balance
2025					
Land	$ 2,337,774	$ 540,350	$ -	$ -	$ 2,878,124
Land improvements	295,570	-	-	-	295,570
Buildings and improvements	12,796,095	109,212	-	-	12,905,307
Equipment	9,516,515	226,975	-	-	9,743,490
Vehicles	984,962	59,668	-	-	1,044,630
Furniture	76,557	-	-	-	76,557
Construction in progress	2,008,718	2,606,337	-	-	4,615,055
	28,016,191	3,542,542	-	-	31,558,733
Less accumulated depreciation					
Land improvements	307,432	16,126	-	-	323,558
Buildings and improvements	7,273,296	483,154	-	-	7,756,450
Equipment	7,218,756	411,284	-	-	7,630,040
Vehicles	876,185	71,522	-	-	947,707
Furniture	224,898	23,930	-	-	248,828
	15,900,567	1,006,016	-	-	16,906,583
Capital assets, net	$ 12,115,624	$ 2,536,526	$ -	$ -	$ 14,652,150
2024					
Land	$ 2,175,271	$ -	$ -	$ 162,503	$ 2,337,774
Land improvements	241,720	53,850	-	-	295,570
Buildings and improvements	13,085,041	8,910	(392,274)	94,418	12,796,095
Equipment	8,497,257	707,088	(79,034)	391,204	9,516,515
Vehicles	884,459	100,503	-	-	984,962
Furniture	76,557	-	-	-	76,557
Construction in progress	650,235	2,041,724	-	(683,241)	2,008,718
	25,610,540	2,912,075	(471,308)	(35,116)	28,016,191
Less accumulated depreciation					
Land improvements	291,536	15,896	-	-	307,432
Buildings and improvements	6,798,856	474,440	-	-	7,273,296
Equipment	7,188,040	465,670	(434,954)	-	7,218,756
Vehicles	801,025	75,160	-	-	876,185
Furniture	196,259	28,639	-	-	224,898
	15,275,716	1,059,805	(434,954)	-	15,900,567
Capital assets, net	$ 10,334,824	$ 1,852,270	$ (36,354)	$ (35,116)	$ 12,115,624

Construction in progress is stated at cost, which includes the cost of construction and other direct costs attributable to the construction. No provision for depreciation is made on construction in progress until such time as the relevant assets are completed and put into use. Construction in progress at September 30, 2025 represents capital improvements, including a facility replacement project. The projects will be funded through a combination of internally designated investments, anticipated grant revenue, and proceeds from debt that management anticipates issuing in the future, as well as expected proceeds from new market tax credits. As of September 30, 2025, the District incurred and capitalized approximately $4,615,000 in construction in progress. The estimated costs of construction, equipment, and other project costs are estimated to be approximately $110,000,000. The project is currently expected to be completed in 2028.

Note 6. Medical Malpractice Claims

The District participates in the Louisiana Patients' Compensation Fund established by the State of Louisiana to provide medical professional liability coverage to healthcare providers. The fund provides $400,000 in coverage per occurrence above the first $100,000 per occurrence. The first $100,000 is covered by the Louisiana Hospital Association Malpractice and General Liability Trust. There is not a limitation placed on the number of occurrences covered.

Accounting principles generally accepted in the United States of America require a healthcare provider to accrue the expense of its share of malpractice claim costs, if any, for any reported and unreported incidents of potential improper professional service occurring during the year by estimating the probable ultimate costs of the incidents. Based upon the District's claims experience, no such accrual has been made. It is reasonably possible that this estimate could change materially in the near term.

Note 7. Employee Health Claims

Substantially all of the District's employees and their dependents are eligible to participate in the District's employee health insurance plan. The District is self-insured for health claims of participating employees and dependents up to an annual aggregate amount of $45,000. Commercial stop-loss insurance coverage is purchased for claims in excess of the aggregate annual amount. A provision is accrued for self-insured employee health claims, including both claims reported and claims incurred but not yet reported. The accrual is estimated based on consideration of prior claims' experience, recently settled claims, frequency of claims, and other economic and social factors. It is reasonably possible that the District's estimate will change by a material amount in the near term. The accrual and fiscal year activity (current year expenses and claim payments made) for employee health claims is not material in 2025 and 2024.

Note 8. Benefit Plans

In January 1993, the District elected to withdraw from the Social Security System. In place of the Social Security System, the District has a defined contribution 401(a) benefit plan that includes a 414H contribution plan with an employer match and a 457 elective deferral compensation plan. Nationwide Trust Company is the plan administrator. Benefit provisions are contained in the plan document and were established and can be amended by action of the District's governing body.

Employees are eligible to participate upon date of employment and are immediately vested in the employer's matching contribution. Contributions to the plans by the District are determined by the board at a minimum of 6.2% of the participant's compensation. Contribution rates for plan members and the District, expressed as a percentage of covered payroll, were 6.2% and 6.4% for 2025 and 2024, respectively. Contributions made by plan members were approximately $1,143,000 and $1,145,000 during 2025 and 2024, respectively. Employer

contributions made by the District were approximately $1,143,000 and $1,145,000 during 2025 and 2024, respectively. Forfeitures were not material in 2025 and 2024.

Note 9. Employee Retention Tax Credit

The *Coronavirus Aid, Relief, and Economic Security Act* (CARES Act), along with subsequent legislation, established a refundable Employee Retention Tax Credit (ERTC) for eligible employers that satisfied either a gross-receipts decline test or a government-mandate test. The credit is calculated as a defined percentage of qualified wages paid to employees, subject to statutory limitations.

The District applied for approximately $6,046,000 in refunds related to ERTC claims for certain quarters of calendar year 2021. After submitting the claims, management concluded that uncertainty existed regarding the District's eligibility for the program due to the program's newness and the broader ambiguity surrounding pandemic-related relief funding.

During 2025, the Internal Revenue Service (IRS) issued payments totaling approximately $6,046,000 for all open applications. During 2025, the District recognized approximately $4,041,000 of ERTC revenue in nonoperating revenues for quarters in which the statute of limitations has expired. The remaining balance of approximately $2,040,000 of ERTC funding received by the District is included in other long-term liabilities at September 30, 2025 and will be recognized as revenue by the District when the statute of limitations expires, which is scheduled for fiscal year 2028.

The District has not received any correspondence from the IRS disputing the filings. Laws and regulations governing the ERTC are complex and subject to differing interpretations. These credits may be subject to retroactive audit or review. There is no assurance that regulatory authorities will not challenge the District's ERTC claims, and the potential impact of such a challenge on the District cannot be determined.

Note 10. One Big Beautiful Bill Act

On July 3, 2025, the U.S. Congress enacted the *One Big Beautiful Bill Act* (OBBBA), a comprehensive budget reconciliation law introducing significant changes to federal healthcare programs, tax policy, and energy-related incentives. The legislation includes substantial reductions in Medicaid funding, modifications to provider tax structures, and new eligibility and cost-sharing requirements for Medicaid beneficiaries. The OBBBA has not had a material impact on the financial results to date as many aspects of the legislation are effective for future periods. The District is currently evaluating what impact the OBBBA may have on the financial results, cash flows, and financial position for future periods.

Note 11. Future Change in Accounting Principle – GASB Statement No. 103

Governmental Accounting Standards Board (GASB) Statement No. 103, *Financial Reporting Model Improvements*, improves the financial reporting model by standardizing the presentation for various matters within governmental financial statements. The purpose is to eliminate diversity in practice and improve comparability. Impacted areas include management's discussion and analysis, unusual or infrequent items, the definitions and presentation of operating and nonoperating revenues and expenses, the proprietary fund statements, presentation of major component units. While GASB 103 does not impact the timing of recognition and measurement of revenue, it could affect the presentation and geographical location of certain healthcare-specific revenues within the financial statements. The requirements of this Statement are effective for the District's fiscal year ending September 30, 2026 and all reporting periods thereafter. Changes are required to be made retroactively to the earliest period presented.

Supplementary Information

Hospital Service District No. 1A of the Parish of Richland d.b.a. Richland Parish Hospital
A Component Unit of Richland Parish Police Jury
Schedule of Compensation, Benefits, and Other Payments to Agency Head or Chief Executive Officer
Year Ended September 30, 2025

Agency Head Name: Mildred Greer, Interim CEO

Purpose		
Salary	$	314,179
Benefits – insurance		1,584
Benefits – retirement		16,271
Cell phone		1,085
Registration fees		100
Conference travel		1,331
Per diem		947
	$	335,497

Hospital Service District No. 1A of the Parish of Richland d.b.a. Richland Parish Hospital
A Component Unit of Richland Parish Police Jury
Combining Statement of Net Position
September 30, 2025

	Hospital and Clinics	Delhi Community Health Center	Eliminations	Combined
ASSETS				
Current Assets				
Cash	$ 4,725,984	$ 2,950,107	$ -	$ 7,676,091
Certificates of deposit	41,791,978	5,353,291	-	47,145,269
Patient accounts receivable, net	2,556,930	1,256,839	-	3,813,769
Due from affiliate	58,999	-	(58,999)	-
Estimated amounts due from third-party payors	2,243,327	57,040	-	2,300,367
Grant and other receivables	473,417	843,350	-	1,316,767
Supplies	919,755	169,566	-	1,089,321
Prepaid expenses and other	255,520	40,132	-	295,652
Total Current Assets	53,025,910	10,670,325	(58,999)	63,637,236
Certificates of Deposit, Internally Designated	1,479,722	557,934	-	2,037,656
Capital Assets, Net	9,008,924	5,643,226	-	14,652,150
Other Assets	236,088	-	-	236,088
Total Assets	$ 63,750,644	$ 16,871,485	$ (58,999)	$ 80,563,130
LIABILITIES AND NET POSITION				
Current Liabilities				
Accounts payable	$ 1,125,253	$ 364,690	$ -	$ 1,489,943
Accrued expenses	1,017,533	132,036	-	1,149,569
Revenue received in advance	15,001	25,137	-	40,138
Estimated self-insured health insurance costs	148,170	-	-	148,170
Due to affiliate	-	58,999	(58,999)	-
Total Current Liabilities	2,305,957	580,862	(58,999)	2,827,820
Other Long-Term Liabilities	1,479,722	557,934	-	2,037,656
Total Liabilities	3,785,679	1,138,796	(58,999)	4,865,476
Net Position				
Net investment in capital assets	9,008,924	5,508,606	-	14,517,530
Unrestricted	50,956,041	10,224,083	-	61,180,124
Total Net Position	59,964,965	15,732,689	-	75,697,654
Total Liabilities and Net Position	$ 63,750,644	$ 16,871,485	$ (58,999)	$ 80,563,130

Hospital Service District No. 1A of the Parish of Richland d.b.a. Richland Parish Hospital
A Component Unit of Richland Parish Police Jury
Combining Statement of Revenue, Expenses, and Changes in Net Position
Year Ended September 30, 2025

	Hospital and Clinics	Delhi Community Health Center	Eliminations	Combined
Operating Revenues				
Net patient service revenue	$ 28,644,113	$ 5,299,118	$ -	$ 33,943,231
Grant revenue	-	2,418,432	-	2,418,432
Other	2,373,567	2,745,508	(180,000)	4,939,075
Total Operating Revenues	31,017,680	10,463,058	(180,000)	41,300,738
Operating Expenses				
Salaries and wages	13,986,143	4,905,496	-	18,891,639
Employee benefits	3,638,647	1,255,147	-	4,893,794
Purchased services and professional fees	5,251,311	618,066	-	5,869,377
Supplies and other	7,083,526	2,671,262	(180,000)	9,574,788
Depreciation and amortization	595,832	410,184	-	1,006,016
Total Operating Expenses	30,555,459	9,860,155	(180,000)	40,235,614
Operating Income	462,221	602,903	-	1,065,124
Nonoperating Revenues				
Property taxes	980,893	-	-	980,893
Investment income	1,995,397	300,299	-	2,295,696
Employee retention tax credit	2,956,356	1,084,219	-	4,040,575
Noncapital grants and gifts	1,274,339	54,497	-	1,328,836
Total Nonoperating Revenues	7,206,985	1,439,015	-	8,646,000
Income Before Capital Grants	7,669,206	2,041,918	-	9,711,124
Capital Grants	-	282,837	-	282,837
Increase in Net Position	7,669,206	2,324,755	-	9,993,961
Net Position, Beginning of Year	52,295,759	13,407,934	-	65,703,693
Net Position, End of Year	$ 59,964,965	$ 15,732,689	$ -	$ 75,697,654

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Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance With Government Auditing Standards

Independent Auditor's Report

Board of Commissioners
Hospital Service District No. 1A of the Parish of Richland
d.b.a. Richland Parish Hospital
A Component Unit of Richland Parish Police Jury
Delhi, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of Hospital Service District No. 1A of the Parish of Richland d.b.a. Richland Parish Hospital (District), a component unit of Richland Parish Police Jury, which comprise the District's statement of net position as of September 30, 2025 and the related statements of revenues, expenses, and changes in net position and cash flows for the year then ended and the related notes to the financial statements, and have issued our report thereon dated February 27, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Forvis Mazars, LLP

Dallas, Texas
February 27, 2026

Hospital Service District No. 1A of the Parish of Richland dba Richland Parish Hospital

A Component Unit of Richland Parish Police Jury

Single Audit Reports

September 30, 2025

Hospital Service District No. 1A of the Parish of Richland dba Richland Parish Hospital
A Component Unit of Richland Parish Police Jury
Contents
September 30, 2025

Hospital Service District No. 1A of the Parish of Richland dba Richland Parish Hospital
A Component Unit of Richland Parish Police Jury
Schedule of Expenditures of Federal Awards
Year Ended September 30, 2025

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Provided to Subrecipients	Total Federal Expenditures
U.S. Department of Health and Human Services				
Health Center Program Cluster				
Grants for New and Expanded Services under the Health Center Program	93.527		$ -	$ 34,093
Health Center Program (Community Health Centers, (Community Health Centers, Migrant Health Centers, Health Care for the Homeless, and Public Housing Primary Care)	93.224		-	2,211,943
Total Health Center Program Cluster			-	2,246,036
Grants for Capital Development in Health Centers	93.526		-	282,837
Rural Health Care Services Outreach, Rural Health Network Development and Small Health Care Provider Quality Improvement	93.912		-	1,191,239
Total U.S. Department of Health and Human Services			-	3,720,112
Total Expenditures of Federal Awards			$ -	$ 3,720,112

The accompanying notes are an integral part of this Schedule.

Hospital Service District No. 1A of the Parish of Richland dba Richland Parish Hospital
A Component Unit of Richland Parish Police Jury
Notes to the Schedule of Expenditures of Federal Awards
Year Ended September 30, 2025

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (Schedule) includes the federal award activity of Hospital Service District No. 1A of the Parish of Richland dba Richland Parish Hospital (District) under programs of the federal government for the year ended September 30, 2025. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the District.

Note 2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts, if any, shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

Note 3. Indirect Cost Rate

The District has elected to use the de minimis indirect cost rate allowed under the Uniform Guidance.

Note 4. Federal Loan Programs

The District did not have any loan programs during the year ended September 30, 2025.

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Report on Compliance for the Major Federal Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

Independent Auditor's Report

Board of Commissioners
Hospital Service District No. 1A of the Parish of Richland
dba Richland Parish Hospital
A Component Unit of Richland Parish Police Jury
Delhi, Louisiana

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited Hospital Service District No. 1A of the Parish of Richland dba Richland Parish Hospital's (District), a Component Unit of Richland Parish Police Jury, compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on the District's major federal program for the year ended September 30, 2025. The District's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended September 30, 2025.

Basis for Opinion on the Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the District's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies

in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the District, as of and for the year ended September 30, 2025 and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We have issued our report thereon dated February 27, 2026, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic 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 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Forvis Mazars, LLP

Dallas, Texas
February 27, 2026

Hospital Service District No. 1A of the Parish of Richland dba Richland Parish Hospital
A Component Unit of Richland Parish Police Jury
Schedule of Findings and Questioned Costs
Year Ended December 31, 2025

Section I – Summary of Auditor's Results

Financial Statements

1. Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:

   ☒ Unmodified ☐ Qualified ☐ Adverse ☐ Disclaimer

2. Internal control over financial reporting:

   Material weakness(es) identified? ☐ Yes ☒ No

   Significant deficiency(ies) identified? ☐ Yes ☒ None reported

3. Noncompliance material to the financial statements noted? ☐ Yes ☒ No

Federal Awards

4. Internal control over major federal program:

   Material weakness(es) identified? ☐ Yes ☒ No

   Significant deficiency(ies) identified? ☐ Yes ☒ None reported

5. Type of auditor's report issued on compliance for major federal program:

   ☒ Unmodified ☐ Qualified ☐ Adverse ☐ Disclaimer

6. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? ☐ Yes ☒ No

7. Identification of major federal programs:

Assistance Listing Numbers	Name of Federal Program or Cluster
93.224 and 93.527	Health Center Program Cluster

8. Dollar threshold used to distinguish between Type A and Type B programs: $1,000,000.

9. Auditee qualified as a low-risk auditee? ☒ Yes ☐ No

Section II – Financial Statement Findings

Reference Number	Finding
	No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

Reference Number	Finding
	No matters are reportable.

Hospital Service District No. 1A of the Parish of Richland dba Richland Parish Hospital
A Component Unit of Richland Parish Police Jury
Summary Schedule of Prior Audit Findings
Year Ended December 31, 2025

Reference Number	Summary of Finding	Status
	No matters are reportable.	

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APPENDIX C

USDA LETTERS OF CONDITIONS AND
USDA COMMITMENT LETTER

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June 4, 2026

Mildred Jinger Greer
Acting Administrator
Hospital Service District 1-A of the Parish of Richland
407 Cincinnati Street
Delhi, LA 71232

Subject: Letter of Conditions for a Community Facilities Program Loan for the Replacement Facility Project

Dear Ms. Greer:

This letter, with attachments, establishes conditions that must be understood and agreed to by the applicant before further consideration may be given to the application for Federal Assistance. The State and Area Office staff of USDA Rural Development (RD or Agency) will administer the loan and/or grant funds for this project on behalf of the Rural Housing Service. All parties may access information and regulations referenced in this letter at our website located at: https://www.rd.usda.gov/programs-services/community-facilities. Any changes in project cost, source of funds, scope of services, or any other significant changes in the project or applicant (this includes significant changes in the applicant's financial condition, operation, organizational structure or executive leadership) must be reported to and approved by RD by written amendment to this letter. Any changes not approved by RD will be cause for discontinuing processing of the application. If you do not meet the conditions of this letter, the Agency reserves the right to withdraw Agency funding.

This letter is not to be considered as loan approval or as representation to the availability of funds. The application can be processed on the basis of a RD loan not to exceed $70,100,000. Funds for this project are provided by the Rural Housing Service (RHS).

Please complete and return the attached Form RD 1942-46, "Letter of Intent to Meet Conditions," and Form RD 1940-1, "Request for Obligation of Funds," within the next ten (10) days, if you desire that we give further consideration to your application. The execution of these and all other documents required by RD must be authorized by appropriate resolutions of the applicant's governing body.

The loan will be considered approved on the date Form RD 1940-1, "Request for Obligation of Funds," is mailed to the applicant by RD. This is also the date that the interest rate is established. If the interest rate is lower at the time of loan closing, you must make a request in writing to receive the lower rate in effect.

The loan will be repayable over a period not to exceed 30 years from the date of loan closing at the market interest rate. The loan repayment will be made in amortized monthly installments.

Project Budget—Based on Standard Form 424, "Application for Federal Assistance," the project cost and funding will be as follows:

a.

Project Cost	Total	USDA Loan	Guaranteed Loan	District Equity
Construction	$59,500,000	$59,500,000		
A/E Professional Fees	$4,000,000	$1,800,000		$2,200,000
Contingency	$6,300,000	$6,300,000		
Equipment and Furnishings	$14,800,000		$9,000,000	$5,800,000
Construction Interest	$5,500,000	$2,500,000		$3,000,000
Cost of Issuance and Financing	$1,500,000			$1,500,000

b. Source of Funds

USDA Loan	$70,100,000
Guaranteed Loan	$ 9,000,000
Applicant Contribution	$12,500,000
TOTAL:	$91,600,000

Any changes in funding sources following obligation of Agency funds must be reported to the processing official. Project feasibility and funding will be reassessed if there is a significant change in project costs after bids are received. If actual project costs exceed the project cost estimates, an additional contribution by the applicant may be necessary.
The applicant will ensure projects are completed in a timely, efficient, and economical manner. Section I of the attached conditions (Items 1—23) must be satisfied prior to interim loan closing or before construction begins, whichever occurs first, in either case not later than one (1) year from the date of this letter**.**

In the event the project has not advanced to the point of construction within one (1) year, RD reserves the right to discontinue the processing of the application.

This Letter of Conditions will require written approval to extend the Letter of Conditions offer after one year from the date of this letter.

If you have any questions, feel free to contact this office.

Sincerely,

MATTHEW SEATON Digitally signed by MATTHEW SEATON Date: 2026.06.04 11:10:30 -05'00'

Matt Seaton
Community Programs Director

Cc: Foley & Judell, L.L.P.
Grace Design Studio, LLC
Sullivan, Stolier, Schulze, LLC
Commercial Capital Bank

ATTACHMENT TO LETTER OF CONDITIONS

SECTION I. CONDITIONS TO BE SATISFIED PRIOR TO LOAN CLOSING OR BEFORE CONSTRUCTION BEGINS, WHICHEVER OCCURS FIRST

1. **Reserves**—The applicant will establish a separate debt service reserve account in an amount at least equal to a full year of debt service. This reserve will be prefunded at the time of direct loan closing. The reserve account balance must be reported annually to the State Office and included in the audit as a separate and identifiable line item as restricted. Funds will remain restricted for the life of the loan and may not be withdrawn without USDA"s written approval.

   For any fiscal year end in which the debt service reserve account balance is less than the required account total; the applicant will provide the Agency with a twelve-month budget and plan to correct the cash shortfall.

   The applicant will maintain a Capital Replacement Reserve account of no less than $400,000 annually, beginning in the first full fiscal year after project completion. Any year in which the reserve balance falls below required levels will require a 12-month corrective plan.

2. **Disbursement of Funds**

   a. Interim loan financing during construction will be required in accordance with 7 CFR 1942.17 (n)(3) for all construction loans over $50,000. The applicant must provide RD a copy of the proposed interim financing package for review prior to execution. RD may issue Guide 1/1a, as appropriate (or similar), to the selected lender to inform the lender of RD's commitment

   b. The applicant's contribution of funds toward the project cost shall be considered the first funds expended and must be deposited into its newly established and separate project/construction bank account prior to the start of construction. The applicant must provide evidence of this deposit to RD.

   c. Agency funds will not be used to pre-finance funds committed to the project from other sources.

   d. The Debt Collection Improvement Act (DCIA) of 1996 requires that all Federal payments be made by Electronic Funds Transfer/Automated Clearing House (EFT/ACH). Applicants receiving payments by EFT will have funds directly deposited to a specified account at a financial institution with funds being available to the recipient on the date of payment. The borrower should complete Form SF-3881, Electronic Funds Transfer Payment Enrollment Form, for each account where funds will be electronically received. The completed form(s) must be received by RD at least forty-five (45) days prior to the first advance of funds. Failure to do so could delay loan closing.

3. **Security Requirements**

   a. At loan closing the applicant will execute the attached Form RD 1942-47, "Loan Resolution (Public Bodies)". Please note the refinancing provision in paragraph 2 and on page 3 there is a certification to be executed at loan closing.

   b. The applicant is a legally organized Hospital Service District- under Sections of the applicable State Government and will evidence the loan with a Revenue bond. The bond will be fully registered as to both principal and interest in the name of the United States of America, Rural Development. The Revenue bond must be prepared in accordance with 7 CFR 1942, Subpart A, and State law. The assistance and opinion of a recognized bond counsel must be obtained.

      The revenue bond and any ordinance or resolution relating thereto must not contain any provision in conflict with the Agency Loan Resolution, applicable regulations, or its authorizing law. There must be no defeasance or refinancing clause in conflict with the graduation requirements of 7 U.S.C. 1983.

   c. If the loan will be on parity with Commercial Capital Bank, the revenue bonds, chattel mortgage and real estate mortgage must specify that, in the event of default, each lender will be affected on a proportionate basis. The Intercreditor / Parity agreement must be executed at closing.

   d. At loan closing, the applicant will execute the attached Form RD 1942-9 "Loan Resolution (Security Agreement)". Please review the refinancing provision on page 4, section 7. Note the certification on the bottom of page 4, which is to be executed at the time of loan closing.

   e. A UCC Financing Statement lien search will be conducted by the Agency to identify lien priority position. Form UCC-1, "Financing Statement," with Form UCC-1Ad, "UCC Financing Statement Addendum," as appropriate, or other action as allowed by State statute, will be prepared by RD and filed with the Louisiana Secretary of State and a copy recorded with the Richland Parish Clerk of Court to perfect a security interest in collateral to encumber the following:

      (i) All revenue and income, securities, investments, assessments, deposit accounts, certificates of title, contract rights, accounts, payment intangibles, general intangibles, and all tangible personal property associated with the structures on the project site, equipment and goods, pertaining to all activities of Debtor in operating the community facility known as Hospital Service District 1-A of the Parish of Richland, with exception with exception of the foregoing assets and revenues to the Delhi Community Health Center. All proceeds, products, replacements, and substitutions thereof; and

      (ii) All proceeds, products, accessions, and such security hereafter acquired.

TOGETHER WITH, all rights of way, easements, permits, franchises, licenses, water rights, equipment, inventory and other property, real or personal, in which Borrower now owns or hereafter acquires interest, and real property located at 407 Cincinnati Street Delhi, LA 71232 as further described in Exhibit "A" attached hereto and made a part hereof.

Disposition of such collateral is not hereby authorized.

A $25.00 filing fee (fee subject to change based on current Louisiana Secretary of State fee schedule) payable to the **Secretary of State** must be provided to the Agency at least 90 days prior to loan closing.

f. The applicant will provide evidence of the loan with a Promissory Note on Form RD 440-22 prepared by RD.

g. A first Deed of Trust or Mortgage (Form RD 1927-1) with American Land Title Association (ALTA) Lender's Title Insurance (2006) in the amount of the loan will be required. A Preliminary Title Opinion prepared by an Attorney or a Preliminary Title Report prepared by an approved title insurance company will be used to prepare the Deed of Trust/Mortgage (utilize per State laws).

h. An Assignment of Income, Assessments, and Revenues will be dated and executed.

i. The applicant's Articles of Incorporation and By-Laws with all amendments have been approved by the Office of General Counsel (OGC). The applicant must submit a Certificate of Good Standing from the Secretary of State, dated within six months before loan closing, to RD.

j. The applicant is required to execute Form RD 440-15, Security Agreement, if required by OGC.

k. A UCC Financing Statement Lien search will be conducted by the Agency to identify lien priority position. A UCC-1 Financing Statement prepared by RD will be filed with the Secretary of State to perfect a security interest in collateral to encumber the following:

All income, assessments, revenues, inventory, investments, securities, chattel paper, accounts receivable, contract rights, equipment, furniture's and fixtures, and general intangibles; whether any of the foregoing is owned now or acquired later; all accessions, additions, replacements, and substitutions relating to any of the foregoing; all proceeds relating to any of the foregoing (including insurance, general intangibles and other accounts proceeds), franchises, licenses, inventory, personal property, in which Borrower now owns or hereafter acquires interest, all in first lien position, with exception of the assets of Delhi Community Health Center.

A $25.00 filing fee (fee subject to change based on current Louisiana Secretary of State fee schedule) payable to the **Secretary of State** must be provided to the Agency at least 90 days prior to loan closing.

l. The applicant and the applicant's financial institution(s) will execute the USDA RHS Community Facility Program, Deposit Account Control Agreement. This is required on all account(s) the applicant has which the Agency will be taking a security interest in, including but not limited to, all primary accounts where the facilities operating and non-operating revenues are deposited and any accounts holding the debt service reserve(s) for the Agency loan(s). Please note the Termination of Agreement provision, item number 8.

4. **Appraisal Requirements**

a. Appraisal reports must be performed by a certified general real estate appraiser licensed in the state where the property is located. The appraiser must have the specific qualifications, experience, and competency necessary to appraise the type of facility being financed.

b. For loans which include the purchase of an existing facility, the appraisal must report the "As Is" Market Value of the property. For loans which contain a construction component (new construction or rehabilitation), the initial appraisal must estimate the "As Is" Market Value and the "Prospective Market Value" as of the date of completion of construction pursuant to Uniform Standards of Professional Appraisal Practice (*USPAP*) and Agency appraisal requirements. [12 CFR, Chapter 1, Subpart C, Part 34.42(h)].

c. RD must be listed as an intended user of the appraisal report.

d. The appraisal must determine that the value is equal to or exceeds the amount of the USDA loan(s), plus any other indebtedness against the security. If the appraisal does not demonstrate the value needed to secure all the indebtedness the applicant must provide additional security or reduce the indebtedness through an applicant contribution.

e. The appraisal must be submitted and approved by RD prior to the start of construction or earlier if required.

f. Once construction is complete and prior to closing the Agency direct loan(s), any appraisal more than two years from the estimated date of closing must be updated and submitted 90 days in advance of loan closing. The value of the appraisal must demonstrate that the Agency remains fully secured.

g. Reports shall be in compliance with the reporting requirements of *USPAP* Standard Rule 2-2 for an Appraisal Report and with the Agency requirements.

h. Appraisers must be prepared to discuss their analyses, opinions, and conclusions and provide additional written support, clarification, and a corrected electronic appraisal report, at no additional cost, if requested by a USDA Regional Appraisal Reviewer.

5. **Insurance and Bonding Requirements** —The applicant must provide evidence of adequate insurance and fidelity bond coverage by loan closing or start of construction, whichever occurs first. Adequate coverage, in accordance with RD's regulations, must then be maintained for the life of the loan and evidence must be submitted to RD annually. Evidence that coverage is being maintained must be provided annually thereafter. It is the responsibility of the applicant and not that of RD to assure that adequate insurance and fidelity bond coverage is maintained. Applicants are encouraged to review coverage amounts and deductible provisions with their attorney, consulting engineer, and/or insurance provider(s).

a. Property Insurance—Fire and extended coverage will be required on all above-ground structures, including applicant-owned equipment and machinery housed therein. Provide RD with proof of coverage and attach Lender's Loss Payable Endorsement (438 BFU or equivalent) naming the UNITED STATES OF AMERICA as lender.

b. Corporate Liability Insurance - The Applicant will provide public liability, and property damage insurance in an amount to adequately protect the applicant from civil action arising from the function of the applicant relative to the project.

c. Workers' Compensation Insurance—The applicant will be required to carry workers' compensation insurance for all employees in accordance with the State law.

d. General liability and vehicular coverage must be maintained.

e. National Flood Insurance (if applicable)—If the project involves acquisition or construction in designated special flood or mudslide prone areas, you must purchase a flood insurance policy at the time of loan closing. Applicants whose buildings, machinery, or equipment are to be located in an area which has been notified as having special flood or mudslide prone areas will not receive financial assistance where flood insurance is not available.

f. Fidelity Bond—Persons who have access to the funds and custody to any property will be covered by a fidelity bond or an adequate crime policy that protects the applicant from an employee crime. Coverage may be provided either for all individual positions or persons, or through "blanket" coverage providing protection for all appropriate employees and/or officials. The amount of coverage required by RD will be sufficient to cover the total annual debt and reserve service requirements

for the loan. The United States of America will be named as co-obligee on the bond. A certified power-of-attorney with effective date will be attached to each bond.

6. **Civil Rights & Equal Opportunity**— The borrower has received an award of Federal funding and is required to comply with U.S. statutory and public policy requirements, including but not limited to:

   a. **Section 504 of the Rehabilitation Act of 1973** – Under Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. 794), no handicapped individual in the United States shall, solely by reason of their handicap, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Agency financial assistance. The Standard for compliance is the Architectural Barriers Act Accessibility Standards (ABAAS).

   b. **Civil Rights Act of 1964** – All recipients are subject to, and facilities must be operated in accordance with, Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.) and 7 CFR 1901, Subpart E, particularly as it relates to conducting and reporting of compliance reviews. Instruments of conveyance for loans and/or grants subject to the Act must contain the covenant required by Paragraph 1901.202(e) of this Title.

   c. **The Americans with Disabilities Act (ADA) of 1990** – This Act (42 U.S.C. 12101 et seq.) prohibits discrimination on the basis of disability in employment, State and local government services, public transportation, public accommodations, facilities, and telecommunications.

   d. **Age Discrimination Act of 1975** – This Act (42 U.S.C. 6101 et seq.) provides that no person in the United States shall on the basis of age, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance.

   e. **Controlled Substances Act** - Even though state law may allow some activities, as a recipient of Federal funding, you are subject to the Controlled Substances Act. Specific questions about the Controlled Substances Act should be directed to the Servicing Official who will contact OGC, as appropriate.

   f. **Limited English Proficiency (LEP)** - LEP statutes and authorities prohibit exclusion from participation in, denial of benefits of, and discrimination under Federally assisted and/or conducted programs on the ground of race, color, or national origin. Title VI of the Civil Rights Act of 1964 covers program access for LEP persons. LEP persons are individuals who do not speak English as their primary language and who have a limited ability to read, speak, write, or understand English. These individuals may be entitled to language assistance, free of charge. The recipient must take reasonable steps to ensure that LEP persons receive the language assistance necessary to have

meaningful access to USDA programs, services, and information the recipient provides.

Agency financial programs must be extended without regard to race, color, religion, sex, national origin, marital status, age, or physical or mental handicap. The recipient must display posters (provided by the Agency) informing users of these requirements, and the Agency will monitor the recipient's compliance with these requirements during regular compliance reviews.
As a recipient of RD funding, you are required to post a copy of the Non-Discrimination Statement listed below in your office and include in full, on all materials produced for public information, public education, and public distribution both print and non-print.
Non-Discrimination Statement
"This institution is an equal opportunity provider and employer."
If you wish to file a Civil Rights program complaint of discrimination, complete the USDA Program Discrimination Complaint Form, found online at https://www.usda.gov/about-usda/general-information/staff-offices/office-assistant-secretary-civil-rights/how-file-program-discrimination-complaint, or at any USDA office, or call (866) 632-9992 to request the form. You may also write a letter containing all of the information requested in the form. Send your completed complaint form or letter to us by mail at U.S. Department of Agriculture, Office of the Assistant Secretary for Civil Rights, 1400 Independence Avenue, S.W., Stop 9410, Washington, D.C. 20250-9410, by fax (202) 690-7442 or email at program.intake@usda.gov.
If the material is too small to permit the full statement to be included, the material at a minimum includes the statement in print size no smaller than the text that "This institution is an equal opportunity provider and employer."

7. **PROCUREMENT**
   a. All procurement transactions connected to this project, regardless of whether by negotiations or by sealed bids and without regard to dollar value, shall be conducted in a manner that provides maximum open and free competition in compliance with but not limited to 7 CFR 1942.18 (j)(2) and 2 CFR 200.

8. **Written Agreements for Professional Services**
   a. The bond counsel services agreement submitted by Foley & Judell, L.L.P. is satisfactory to RD.
   b. The legal service agreement submitted by Sullivan, Stolier, Schulze, LLC is satisfactory to RD.
   c. An Agreement for Architectural Services with Grace Designs Studios, LLC will have to be approved by RD.
   d. For Design/Build, or any other Alternative construction method, prior approval is required by the Agency.
   e. For Design/Build Projects/ and other Alternative Methods – Agreement for Project Manager Services require prior approval by RD.

9. **Land and Rights-of-Way**—The applicant must present satisfactory evidence that they have obtained, or can obtain, any and all lands, rights-of-way, easements, permits and

franchises which are required by the architectural/engineering plan. Acquisitions of necessary land and rights must be accomplished in accordance with the Uniform Relocation and Real Property Acquisition Act. The following forms, copies of which are attached, may be used for these purposes:

- Form RD 442-21, "Right-of-Way Certificate" (with map attached)
- Form RD 442-22, "Opinion of Counsel Relative to Rights-of-Way"
- Form RD 442-20, "Right-of-Way Easement"

11. System Policies, Procedures, Contracts, and Agreements – The facility must be operated on a sound business plan which involves adopting policies, procedures, and/or ordinances outlining the conditions of service and use of the proposed system.

a. **Conflict of Interest Policy** – Prior to obligation of funds, you must certify in writing that your organization has in place up-to-date written standards of conduct covering conflict of interest. The standards of conduct must include disciplinary actions in the event of a violation by officers, employees, or agents of the borrower. The standards identified herein apply to any parent, affiliate or subsidiary organization of the borrower that is not a state or local government, or Indian Tribe. Policies and accompanying documents shall be furnished to RD upon request.

You must also submit a disclosure of planned or potential transactions related to the use of Federal funds that may constitute or present the appearance of personal or organizational conflict of interest. Disclosure must be in the form of a written letter signed and dated by the applicant's official. A negative disclosure in the same format is required if no conflicts are anticipated.
Sample conflict of interest policies may be found at the National Council of Nonprofits website, https://www.councilofnonprofits.org/tools-resources/conflict-of-interest, or in Internal Revenue Service Form 1023, Appendix A, "Sample Conflict of Interest Policy," at http://www.irs.gov/pub/irs-pdf/i1023.pdf. Though these examples reference non-profit corporations, the requirement applies to all types of Agency borrowers.
Assistance in developing a conflict of interest policy is available through Agency-contracted technical assistance providers if desired.

b) **Contracts for Other Services/Lease Agreement** – Drafts of any contracts or other forms of agreements for other services, including audit, management, operation, and maintenance, or lease agreements covering real property essential to the successful operation of the facility, must be submitted to the Agency for review and concurrence prior to advertising for bids.

c) **Parity/Intercreditor Agreement** – Projects with parity liens must have in place a written agreement between the parity lenders. The draft agreement must receive Agency concurrence prior to advertising for bids.

d) **Other agreements** with governments or other entities regarding joint operation of facilities, granting authority to Agency borrower for providing service within another entity's service area, etc. – New Market Tax Credit and the Rural Hospital Cooperative Endeavor Grant Program Participation Agreement – The draft agreement must receive Agency concurrence prior to advertising for bids.

12. **Permits**—All permits involving Federal, State, and local agencies must be obtained and evidence thereof provided to RD prior to bidding. For Design/Build Projects/Alternative Methods - All permits involving Federal, State, and local agencies must be obtained and evidence thereof provided to RD prior to the start of the construction phase of the project.

13. **Environmental Reviews**— The project as proposed has been evaluated to be consistent with the National Environmental Policy Act. Other Federal, State, tribal, and local laws, regulations and or permits may apply or be required. During any stage of project development, including construction, should environmental issues develop which require mitigation measures, RD applicants are required to notify RD and comply with such mitigation measures. Failure by an applicant to implement mitigation measures may disqualify the project from Agency funding. Mitigation measures identified or prepared as part of the State Environmental Act if applicable and NEPA environmental process must be implemented. If the project or any project element deviates from or is modified from the originally approved project, additional environmental review may be required.

    At the conclusion of the proposal's environmental review process, specific action(s) were determined necessary to avoid or minimize adverse environmental impacts. As outlined in the Environmental Report dated December 27 , 2023, the following action is / actions are required for successful completion of the project and must be adhered to during project design and construction:
    In accordance with the National Historic Preservation Act, (NHPA) [16 U.S C. 470 §§ 470-470w-6] 1966, undertakings subject to the review process are referred to in S101 (d) (6) (A), which clarifies that historic properties may have religious and cultural significance to Indian tribes. Additionally, Section 106 of NHPA requires Federal agencies to consider the effects of their actions on historic properties (36 CFR Part 800) as does the National Environmental Policy Act (43 U.S.C.4321 and 4331-35 and 40 CFR 1501.7(a) of 1969). We do not anticipate that this project will adversely impact any cultural resources or human remains protected under the NHPA, NEPA, or the Native American Graves Protection and Repatriation Act. If however, artifacts or human remains are discovered during project construction, we ask that work cease immediately and that you contact the appropriate officials.

14. **Architectural and Construction**

    a. RD must approve any agreements or modifications to agreements for professional planning and design services. AIA Document "Standard Form of Agreement Between owner and Architect," may be used when appropriate or other Agency approved forms of agreement.

b. All contracts for professional and technical services that the applicant enters into with third parties for the project, including but not limited to, owner's representative, legal, project management, inspection, management agreements, etc. must be reviewed and approved by the Agency. All contracts must comply with the contract provisions per 7 CFR 1942.18(n). If any contract does not meet the Agency's requirements, the contract will be amended to incorporate such requirements or the contract will not be accepted by the Agency.

c. Fees provided for in contracts or agreements shall be reasonable. They shall be considered to be reasonable if not in excess of those ordinarily charged by the profession for similar work when the Agency financing is not involved.

d. All construction will be completed under contract. The planning, bidding, contracting, and construction must comply with 7 CFR 1942, Subpart A, and any additional requirements of the State's law and the requirements of other County, State, or Federal agencies.

e. The following must be reviewed and approved by RD in the sequence indicated:

i. Preliminary Architectural Report
ii. Agreement for Architectural Services/Agreement for CMAR Procurement Method- Checklist Items
iii. Request for Qualifications (RFQ), RFQ Shortlist, Request for Proposals (RFP)
iv. Recommendation of Award
v. Final Plans and Specifications for the project
vi. Executed Contract Documents - Contracts are required to be an AIA contract or RD Guide 17. Any other proposed contract will be required to be submitted to the Agency for review and concurrence prior to execution. All contracts will include RD Guides 18, Guide 19 for NON AIA and Guide 27 for AIA.

f. Affirmative steps should be taken to assure that small, minority and/or women-owned businesses are utilized as source of supplies, equipment, construction, and services.

g. Prior to going to bid the Plans & Specifications must be reviewed and approved, when applicable, by all regulatory agencies required to review these documents and other authorities having jurisdiction.

h. A representative of RD will attend all pre-construction conferences in connection with this project. These conferences must be held prior to the Agency's concurrence to issue the Notice to Proceed to the contractor/s. The applicant's architect will conduct the conference and document the discussions and agreements. The conference will thoroughly cover applicable items included in Form RD 1924-16, Record of Preconstruction Conference, and the discussion and agreements will be documented. RD Form 1924-16, or acceptable alternative, will be utilized ensuring all RD requirements are included.

For Design-Build/Alternative Contracting Projects:

a. If the applicant proposes a Design-Build/Alternative Contracting procurement, which must be pre-approved by the Agency's National Office. The applicant will provide the required information needed to be submitted for concurrence to the Alternative Contracting procurement method. Please see the attached Alternative Contracting Concurrence Checklist.
b. The applicant may retain a qualified Construction Project Manager who is independent of the Contractor/Design-Build firm. Credentials of the candidate must be submitted to the Agency for evaluation and concurrence prior to executing an agreement.
c. All development will be completed by contract. The planning, bidding, contracting, and construction must comply with 7 CFR 1942, Subpart A, and any additional requirements of the State's law and the requirements of other County, State, or Federal agencies.
d. If approved for the design/build or alternative contracting procurement method, the applicant's construction budget will be noted in the RFP documents to set parameters for a Guaranteed Maximum Price (GMP) agreement to be awarded through an open and free solicitation process. The GMP will be established no later than at the completion of the Design Development stage.
e. The following must be reviewed and approved by RD in the sequence indicated:
    i. Preliminary Architectural Report
    ii. Agreement for Architectural Services/Agreement for Project Manager Design-Build or Alternative Contracting Procurement Method—Checklist Items
    iii. Request for Qualifications (RFQ), RFQ Short List, Request For Proposals (RFP)
    iv. Recommendation of Award
    v. Executed Contract Documents – Contracts are required to be an AIA contract or RD Guide 17. Any other proposed contract will be required to be submitted to the Agency for review and concurrence. All contracts will include RD Guides 18, Guide 19 for NON AIA and Guide 27 for AIA documents.
    vi. Final Plans and Specifications for the project

15. BUILD AMERICA, BUY AMERICA ACT (BABAA)

The borrower must comply with the provisions of the Build America, Buy America Act (the "Act"). Pub. L. No. 117-58, §§ 70901-52, enacted on November 15, 2021. The Act requires that "none of the funds made available for a Federal financial assistance program for infrastructure may be obligated for a project unless all of the iron, steel, manufactured products, and construction materials used in the project are produced in the United States." Borrowers of an award of Federal financial assistance from a program for

infrastructure are hereby notified that none of the funds provided under this award may be used for a project for infrastructure unless:

a. All iron and steel used in the project are produced in the United States. This means all manufacturing processes, from the initial melting stage through the application of coatings, occurred in the United States;

b. All manufactured products used in the project are produced in the United States. This means the manufactured product was manufactured in the United States, and the cost of the components of the manufactured product that are mined, produced, or manufactured in the United States is greater than 55 percent of the total cost of all components of the manufactured product, unless another standard for determining the minimum amount of domestic content of the manufactured product has been established under applicable law or regulation; and

c. All construction materials are manufactured in the United States. This means that all manufacturing processes for the construction material occurred in the United States.

The BABAA requirement applies to the entirety of an infrastructure project, even if only a portion of the project is funded by Federal funds. The requirement applies to each product, manufactured good, or construction material incorporated in the project.

15.1 Definitions (as applied in this condition only)

Construction Materials—include an article, material, or supply—other than an item of primarily iron or steel; a manufactured product; cement and cementitious materials; aggregates such as stone, sand, or gravel; or aggregate binding agents or additives—that is or consists primarily of:

- non-ferrous metals;
- plastic and polymer-based products (including polyvinylchloride, composite building materials, and polymers used in fiber optic cables);
- glass (including optic glass);
- lumber; or
- drywall.

Domestic Content Procurement Preference—means all iron and steel used in the project are produced in the United States; the manufactured products used in the project are produced in the United States; or the construction materials used in the project are produced in the United States.
Infrastructure—includes, at a minimum, the structures, facilities, and equipment for, in the United States, roads, highways, and bridges; public transportation; dams, ports, harbors, and other maritime facilities; intercity passenger and freight railroads; freight and intermodal facilities; airports; water systems, including drinking water and

wastewater systems; electrical transmission facilities and systems; utilities; broadband infrastructure; and buildings and real property. Infrastructure also includes structures, facilities, and equipment that generate, transport, and distribute energy, including electric vehicle (EV) charging stations. “Infrastructure” has a broad interpretation, and the definition provided is illustrative and not exhaustive.

Manufactured Product—Items assembled out of components, or otherwise made or processed from raw materials into finished products. Manufactured products must be manufactured (assembled) in the United States, and the cost of components that were mined, produced, or manufactured in the United States must be greater than 55 percent of the total cost of all components of the manufactured product, unless another standard for determining the minimum amount of domestic content of the manufactured product has been established under applicable law or regulation.

Manufacturer’s Certification—Documentation provided by a manufacturer, certifying that the items provided by manufacturer meet the domestic preference requirements of the Act.

Project—means the construction, alteration, maintenance, or repair of infrastructure in the United States.

15.2 Compliance
The borrower must comply with the provisions of the Build America, Buy America Act (BABAA). Pub. L. No. 117-58, §§ 70901-52, enacted on November 15, 2021. By accepting these conditions, the borrower attests that they or their designee(s) will maintain documentation for BABAA provisions to indicate compliance.

Minimum records include certifications from manufacturers, the architect/engineers, and the prime contractor. Supporting documentation includes purchasing records and notes and photos taken by the Resident Project Representative (RPR)/ Resident Inspector (RI). Documentation must be available and reviewable upon request.

15.3 Evidence Standards

Manufacturers
For each item to which BABAA applies (every item permanently installed on the project, except for aggregate and aggregate binding materials), a manufacturer’s certification letter or other document demonstrating compliance is required. It must, at a minimum, identify the item being certified (short written description as well as part number, if applicable) and affirm that the item complies with BABAA. This document must be signed by an authorized company representative. The manufacturer may submit a letter on letterhead or provide other evidence acceptable to the Agency.
Architects and Engineers (A/E)

The need to comply with BABAA will be spelled out in agreements for A/E services, construction contracts, and procurement contracts. Generally, the A/E contract will include, as a basic service, obtaining and maintaining all BABAA documentation (particularly manufacturers' certifications) during construction, which shall be transferred to the (borrower) upon substantial completion of the project. The architect or engineer should certify in writing to the completeness and accuracy of the manufacturers' certifications.

Resident project representative (RPR) / Resident inspector (RI)

As part of their duties, RPR/RI will be instructed to verify items delivered to the site and installed are accompanied by documentation of compliance with BABAA. They will photograph items as appropriate. RPR/RI daily logs and photographs will become part of the construction record and can be used as supporting information during audits, providing evidence for items that are buried or otherwise inaccessible.

Contractors

The construction contract(s) will include a requirement to procure and install only items that comply with BABAA or are subject to a waiver approved by the Secretary of Agriculture or designee. The contractors are to provide manufacturers' certifications for all BABAA compliant items to the architect/engineer no later than with applications for payment. At substantial completion, the contractor will be required to certify that all items used on the contract complied with BABAA and that all manufacturers' certifications were provided to the architect/engineer.

15.4 Obtaining Waivers under the BABA Act

The Secretary of Agriculture or a designee may grant waivers to the procurement requirements under the following conditions:

(1) *Nonavailability*. The Secretary of Agriculture or delegate determines that the iron, steel or relevant manufactured goods or construction materials are not produced or manufactured in sufficient and reasonably available commercial quantities of a satisfactory quality.

(2) *Unreasonable cost*. The Secretary of Agriculture or delegate determines that the inclusion of domestic iron, steel, or relevant manufactured goods will increase the cost of the overall project by more than 25%.

(3) *Inconsistent with public interest.* The Secretary of Agriculture or delegate determines that the application of these restrictions would be inconsistent with the public interest.

15.5 BABAA Waivers for Rural Development

A waiver of the domestic procurement requirement for a specific product in a specific infrastructure project may be obtained upon a satisfactory showing of evidence that the waiver is warranted by a borrower and a recommendation by the Agency. Waivers of the procurement requirement are granted by the Secretary of Agriculture or by a designee of the Secretary. The requirements are posted publicly at the USDA OCFO website: USDA Buy America Waivers for Federal Financial Assistance | USDA located at https://www.usda.gov/ocfo/federal-financial-assistance-policy/USDABuyAmericaWaiver

Before submitting a request for waiver, borrower should determine whether they qualify for agency-wide public interest waivers that have already been approved by USDA. One such public interest waiver is referred to as the "*De Minimis*, Small Grants, and Minor Components" waiver, which has three parts. *De Minimis* is intended to prevent restrictions on the procurement of materials and products that represent a small portion of an infrastructure project, specifically no more than 5% of the project costs up to a maximum of $1,000,000, from hindering the overall project. *Small Grants* exempts projects below the Federal Simplified Acquisition Threshold of $250,000 (the grant section also applies to small loans and loan guarantees). The *Minor Components* provision of the waiver exempts miscellaneous components of iron and steel that make up no more than 5% of the total cost of an iron or steel product used in a project.

16. **Electronic Funds Transfer**—All loan funds will be transferred to borrowers via Electronic Funds Transfer/Automated Clearinghouse Systems (EFT/ACH). Normal transfers will be ACH, with money being placed in Borrower's account two business days after the RD processing office approves the pay request. The applicant must submit the Electronic Funds Transfer Form containing the banking (ACH) information to the RD Servicing Office at least 90 days prior to the date of loan closing. Failure to do so could delay loan closing.

17. **Automatic Payments** —The applicant is required to participate in the Pre-Authorized Debit (PAD) payment process for all new and existing indebtedness to RD. It will allow for the applicant's payment to be electronically debited from its account on the date their payment is due. Form RD 3550-CLSS, "Authorization Agreement for Preauthorized Payments," is attached. Please fill out and sign your "Individual/Company Information" section, then have your financial institution/bank fill out the bottom portion prior to submitting the form to the RD service office.

18. **Loan Closing**—The permanent loan will be closed in accordance with RD instructions, the legal requirements of the USDA OGC, and this Letter of Conditions. All DRAFT applicable closing documents, including bond documents, must be submitted to RD at least 90 days prior to the planned closing date. Prior to loan closing, a request for reimbursement must be submitted to RD with all the supporting invoices.

19. **Operating Budget—** Prior to loan closing, RD must review the applicant's approved operating budget. The budget must balance and include the proposed USDA debt service and reserve obligations. Each year the USDA loan is outstanding, the applicant will adopt an annual budget which provides for the annual debt service and reserve payments.

20. **System for Award Management Registration and Unique Entity ID**—You as the recipient must maintain the currency of your information in the System for Award Management (SAM) until you submit the final financial report required under this award and all grant funds under this award have been disbursed or de-obligated, whichever is later. This requires that you review and update the information at least annually after the initial registration, and more frequently if required by changes in your information or another award term. Recipients can register on-line at (https://www.sam.gov) You as the recipient may not make a sub-award to an entity unless the entity has provided its Unique Entity ID from SAM.gov to you.

21. **Suspension and Debarment Screening** – You will be asked to provide information on the principals of your organization. Agency staff must conduct screening for suspension and debarment of the entity, as well as its principals through the Do Not Pay Portal.
    a. Principal –
        i. An officer, director, owner, partner, principal investigator, or other person within a participant with management or supervisory responsibilities related to a covered transaction; or
        ii. A consultant or other person, whether or not employed by the participant or paid with federal funds, who –
            1. Is in a position to handle federal funds;
            2. Is in a position to influence or control the use of those funds; or, occupies a technical or professional position capable of substantially influencing the development or outcome of an activity required to perform the covered transaction. (2 CFR §180.995)

22. **Litigation.** You are required to notify the Agency within 30 days of receiving notification of being involved in any type of litigation prior to loan closing or start of construction, whichever occurs first. Additional documentation regarding the situation and litigation may be requested by the Agency.

SECTION II. LOAN CONDITIONS TO BE SATISFIED DURING CONSTRUCTION

1. **Inspections**— A full-time resident inspector is required during construction. This service is to be provided by the consulting architect or other arrangements as approved by the Agency. Prior to the pre-construction conference, a resume of qualifications of the resident inspector(s) will be submitted to the owner and Agency for review and approval. The owner will provide a letter of acceptance for all proposed observers to the architect and Agency. The inspection reports must be available to RD for review at any time. These reports must be kept at the project site or borrower's office, if nearby. At a minimum, Guide 11, Daily Inspection Report, will be completed and will include

pictures, number and classification of personnel working on the site, equipment being used to perform work, accounts of substantive discussions, instructions given to the contractors, directions received, all significant or unusual happenings involving the work, and delays, and daily work accomplished in accordance with 1942 – A, 1942.18 (o)(4). A similar format may be approved by the Agency prior to the Pre-Construction conference.

2. **Monthly Reporting**—The applicant must monitor and provide a monthly report to RD on actual performance during construction for each project financed, or to be financed, in whole or in part with RD funds. For construction projects include Forms RD 1924-18, "Partial Payment Estimate"; RD 1924-7, "Contract Change Order"; SF-271, "Outlay Report and Request for Reimbursement for Construction Programs"; and RD 1942-A, Guide 11 (or similar) Project Daily Inspection Reports.

3. **Monthly Payment Applications**

   For construction projects, the pay application submitted to the Agency will include:

   a. The SF-271, "Outlay Report and Request for Reimbursement for Construction Programs" and will track ALL projects costs and sources of funds and will be signed by the owner.

   b. Form RD 1924-18, "Partial Payment Estimate" pg. 1 will be fully executed by all required parties (contractor, architect, and owner) before sending to the Agency. The contractor may supplement Form RD 1924-18, "Partial Payment Estimate" with the AIA G702 and G703 Schedule of Values (SOV) documents instead of pg. 2 of the 1924-18.

   c. All required supporting documentation, including but not limited to invoices, proof of payment, conditional and unconditional lien releases (if applicable), etc. must be provided with the pay application. The complete pay application will be submitted to the Agency last, meaning after all applicable parties have reviewed and certified with their signature the payment application to be true and correct. Digital signatures, including time stamp, are now required to prevent fraud, waste and abuse.

   For non-construction projects, the pay application submitted to the Agency will include:

   a. The SF-270, "Request for Advance or Reimbursement" and will track all project costs and sources of funds and will be signed by the owner.
   b. All required backup to support the pay application request including but not limited to, invoices, proof of payment, etc. must be provided with the pay application.

The Applicant may only request payment on a change order that has been approved by the Agency using Form RD 1924-7, "Contract Change Order". Meaning all signatures, including the Agency's, must be on the form prior to the owner requesting reimbursement for that change order. If payment on a change order is prematurely requested, the entire pay application will be returned.

If interim financing is involved, the interim lender is required to review and approve all pay applications typically prior to the owner submitting the pay application to the Agency for approval.

4. **Final Inspection**—A final inspection will be made by RD on the component USDA is financing before final payment is made.

5. **Excess Funds**—Any remaining funds must be utilized for approved purposes within 60 days following the final inspection or the funds will be canceled without further notification from RD.

6. **Critical Access Hospitals (CAH)** (if applicable)—For projects that will relocate a CAH, a letter from the Center for Medicare/Medicaid Services (CMS) indicating the CAH will retain the same provider agreement and its necessary provider designation is a requirement of this loan.

SECTION III. LOAN CONDITIONS TO BE SATISFIED AFTER PROJECT COMPLETION

1. **Financial Statements—**To be submitted on an annual basis in accordance with the following:

   a. 2 CFR Part 200, Subpart F establishes audit requirements that borrowers and grantees must follow. Borrowers and grantees who expend $1,000,000 or more in Federal awards in their fiscal year, have CF loan balances totaling $1,000,000 or more, or a combination of the two must submit an audit in accordance with 2 CFR 200, Subpart F.

   Federal funds expended during a borrowers fiscal year: 2 CFR Part 200, Subpart F requires a borrower that expends $1,000,000 or more in Federal awards in their fiscal year to submit a single or program-specific audit. A CF direct loan, guaranteed loan, and/or grant, or any combination thereof, are considered Federal awards.

   Grantees: Grantees that expend $1,000,000 or more in a year in Federal awards must have an audit conducted in accordance with 2 CFR Part 200, Subpart F except when the grantee elects to have a program specific audit conducted.

   Prior loan and loan guarantees: 2 CFR Part 200, §200.502(b) establishes the basis for including loan and loan guarantees (loans) on the Schedule of Expenditures of Federal Awards (SEFA). The value of new loans made or received during the audit

period plus the beginning of the audit period balance of loans from previous years for which the Federal Government imposes continuing compliance requirements must be reported on the SEFA. CF Program loans require its borrowers to meet continuing compliance requirements. Continuing compliance requirements that CF borrowers must meet include, but are not limited to, funding reserves, maintaining insurance, deposit funds in Federally insured banks, meet financial covenants, maintain sufficient debt service ratios, comply with civil rights requirements, and comply with additional requirements established as part of the loan approval process.

Borrowers and grantees must submit audits within nine months from the end of the borrower's fiscal year or 30 days after receipt from the auditor, whichever is earlier. The audited financial statements must be submitted to the Federal Audit Clearinghouse.

b. All borrowers exempt from the audit requirements cited in 1(a) above, and who do not otherwise have annual audits, will within 60 days following the end of the borrower's fiscal year furnish RD with annual financial statements, consisting of a verification of the organizations, balance sheet and statement of income and expenses.

Grantees exempt from the audit requirements cited in 1(a) above, and who do not otherwise have annual audits, will within 60 days following the end of the fiscal year in which any grant funds were expended furnish RD with annual financial statements consisting of a verification of the organizations, balance sheet and statement of income and expenses.

The borrower/grantee may use Forms RD 442-2 "Statement of Budget, Income and Equity" and 442-3 "Balance Sheet", or similar format to provide the financial information. For borrowers using Form RD 442-2, the dual purpose of fourth quarter management reports, when required, and annual statements of income will be met with this one submission.

2. **Quarterly Reports**—A quarterly management report and financial reports will be required after approval, prior to closing and for the first year of operations. The reports are to be signed by the appropriate borrower official and submitted within 30 days of each quarter's end.

3. **Audit agreement**—If you are required to obtain the services of a licensed Certified Public Accountant (CPA), you must enter into a written audit agreement with the auditor. The audit agreement may include terms and conditions that you and auditor deem appropriate.

4. **Limitations of Additional Debt**- You will not borrow any money from any source or enter into any contract or agreement or incur any other liabilities in connection with making extensions or improvements to the facility, exclusive of normal maintenance,

without obtaining the prior written consent of the Agency. This includes guaranteeing, incurring, or assuming debt of any other organization without Agency consent

5. **Compliance Reviews—**RD will be required to periodically conduct a compliance review of this facility and operation. Compliance reviews will be completed one year after loan closing and every three years thereafter by utilizing Form RD 400-8. You will need to provide the local office the statistical information as requested. The Agency will conduct regular compliance reviews of the borrower and its operation in accordance with Architectural Barriers Act (ABA) Accessibility Guidelines.

6. **Continuation of Financing Statement**- At the time of renewal (every 5 years) the borrower must provide a **$10.00** (or applicable filing fee) check payable to the **Secretary of State** (fee subject to change based on current Secretary of State fee schedule) for the continuation of the Financing Statement until the loan is paid in full.

7. **Security Inspections—**RD is required to conduct an inspection of the facility a minimum of once every three years. The recipient must participate in these inspections and provide the required information. Compliance reviews will typically be conducted in conjunction with the security inspections described in this letter. If beneficiaries (users) are required to complete an application or screening for the review to collect data by race (American Indian or Alaska Native, Asian, Black or African) the Agency will utilize this data as part of the required compliance review.

8. **Graduation**—You may be required to refinance (graduate) the unpaid balance of the RD loan, in whole or in part, if at any time RD determines your entity is able to obtain a loan for such purposes from responsible cooperative or private sources at reasonable rates and terms for loans for similar purposes and periods of time, the recipient will be requested to refinance. The ability to refinance will be assessed every other year for those loans that are five years old or older.

9. **Prepayment and Extra Payments** - Prepayments of scheduled installments, or any portion thereof, may be made at any time at the option of borrower, with no penalty.

   Security instruments, including bonding documents, must contain the following language regarding extra payments, unless prohibited by State statute:

   Prepayments of scheduled installments, or any portion thereof, may be made at any time at the option of borrower. Refunds, extra payments and loan proceeds obtained from outside sources for the purpose of paying down the Agency debt, shall, after payment of interest, be applied to the installments last to become due under this note and shall not affect the obligation of borrower to pay the remaining installments as scheduled in your security instruments.

10. **Financial Covenants**

a) Beginning in the First Full Year of 2030 and tested annually, a debt service coverage ratio (DSCR) of at least 1.25 will be maintained with debt service to include the loan payments plus all required reserves. If the DSCR drops below 1.25 for any audited year or quarterly financial report, then the Applicant will be required to submit monthly financial reports until the required DSCR has been achieved for six consecutive months. If the DSCR drops below 1.10 for any audited year or quarterly financial report, then the Agency may require the Applicant to engage at the expense of the Applicant, an independent management consultant, to prepare a fiscal strategy report that documents how the debt service requirement will be met. If required, this must be provided to RD no later than 90 days after any quarter in which the DSCR drops below 1.10, then an independent management consultant shall be engaged at the expense of the Applicant to prepare a fiscal strategy report that documents how the debt service requirement will be met. This report must be provided to the Agency no later than 90 days after receipt of the annual audit. **Debt service coverage is defined as net income plus depreciation and amortization expense plus interest expense on structured debt divided by the sum of all structured debt payments including required reserve payments still due.*

b) **Days Cash on Hand -** Beginning in the First Full Year of 2030, the Applicant is required to maintain a Days Cash on Hand (DCOH) requirement of no less than 90 days. Within 30 days of fiscal year end, a certified DCOH to be provided to the State Office and annually thereafter. If the DCOH drops below 90 days, the Applicant must present a plan for how the requirement will be met.

APPENDIX D

THE NOTE RESOLUTION

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On motion of Nathan Monroe and seconded by Annie Guine, it was moved to adopt the following resolution:

RESOLUTION

A resolution providing for the incurring of debt and issuance of not exceeding $55,000,000 of Bond Anticipation Notes of Hospital Service District No. 1A of the Parish of Richland, State of Louisiana, and providing for other matters in connection therewith.

WHEREAS, Hospital Service District No. 1A of the Parish of Richland, State of Louisiana (the "***District***"), currently owns the Richland Parish Hospital, located at 407 Cincinnati Street, Delhi, Louisiana, and other medical facilities of the District as described herein (the "***Hospital***"); and

WHEREAS, this Board of Commissioners of Hospital Service District No. 1A of the Parish of Richland, State of Louisiana (the "***Board of Commissioners***") adopted a resolution on February 3, 2026 (the "***Bond Resolution***"), authorizing the issuance of (i) not exceeding $79,100,000 of Hospital Revenue Bonds (the "***Hospital Revenue Bonds***"), and (ii) not exceeding $79,100,000 of Bond Anticipation Notes (the "***Notes***"), pursuant to the provisions of Part II of Chapter 4 of Subtitle II of Title 39 of the Louisiana Revised Statues of 1950, as amended, and other constitutional and statutory authority (the "***Act***"); and

WHEREAS, the Notes will provide interim financing for a portion of the costs of constructing, expanding and renovating the Hospital, including, but not limited to, improvements, equipment, accessories and furnishings therefor (the "***Project***"), fund capitalized interest on the Notes, and pay the costs of issuance of the Notes. The Hospital Revenue Bonds will provide permanent financing for a portion of the costs of the Project; and

WHEREAS, the Police Jury of the Parish of Richland, State of Louisiana approved the issuance of the Notes by a resolution adopted on February 9, 2026; and

WHEREAS, the Louisiana State Bond Commission approved the issuance and delivery of the Bonds and the Notes at its meeting on February 19, 2026; and

WHEREAS, the total amount of the Notes authorized and issued hereunder and outstanding at any time, when added to any additional notes issued by the District in connection with the Project and then outstanding, will not exceed the principal amount of the Hospital Revenue Bonds; and

WHEREAS, this Board of Commissioners further desires to fix the details necessary with respect to the interim financing represented by the Notes and to provide for the authorization, sale, and issuance thereof pursuant to the Act;

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of Hospital Service District No. 1A of the Parish of Richland, State of Louisiana, acting as the governing authority of Hospital Service District No. 1A of the Parish of Richland, State of Louisiana, that:

SECTION 1. **Definitions**. As used herein, the following terms shall have the following meanings, unless the context otherwise requires:

"*Act*" means Part II of Chapter 4 of Subtitle II of Title 39 of the Louisiana Revised Statues of 1950, as amended, and other constitutional and statutory authority.

"*Bank Loan Bonds*" means the portion of the Hospital Revenue Bonds being purchased by Commercial Capital Bank, of Delhi, Louisiana, to represent a commercial loan from said bank, the aggregate principal amount of which is not expected to exceed $9,000,000.

"*Board of Commissioners*" means the Board of Commissioners of the District.

"*Bond Resolution*" means the resolution adopted by the Board of Commissioners on February 3, 2026, authorizing the issuance of the Notes and Hospital Revenue Bonds and providing for other matters in connection therewith.

"*Capitalized Interest Fund*" shall have the meaning given such term in Section 13 hereof.

"*Code*" means the Internal Revenue Code of 1986, as amended.

"*Date of Delivery*" means the date on which the District receives the advance of principal of the Bond Anticipation Notes, which shall be as set forth in the Bond Purchase Agreement.

"*Disbursement Agreement*" means the agreement by and among the District, the QALICB and the Trustee as approved in Section 13 hereof.

"*District*" means Hospital Service District No. 1A of the Parish of Richland, State of Louisiana.

"Equipment Lease Agreement" means the Equipment Lease Agreement between the District and the QALICB, pursuant to which the District will make periodic and special rental payments to the QALICB as set forth therein.

"*Executive Officers*" means, collectively, the Chairman and the Secretary of the Board of Commissioners of the District.

"*Final Maturity Date*" means the first day of the 36th full month following the Date of Delivery.

"*FQHC*" means the Delhi Community Health Center, a federally qualified health center, and all facilities, property, equipment, furnishings and leasehold improvements associated therewith.

"*Hospital*" means the Richland Parish Hospital, located at 407 Cincinnati Street, Delhi, Louisiana, and other medical facilities of the District, including, but not limited to, buildings, improvements, equipment, accessories and furnishings, as now existing and as constructed, acquired, extended and improved hereafter from any source whatsoever while any of the Notes remain outstanding, including, specifically, all properties of every nature owned in whole or in part by the District and used or useful in the operation of its hospital facilities, including real estate, personal and intangible properties, contracts, franchises, leases and choses in action; provided, however, that "Hospital" shall not include the FQHC.

"*Hospital Revenue Bonds*" means not exceeding $79,100,000 of Hospital Revenue Bonds of the District, in one or more series, authorized pursuant to the Bond Resolution.

"***Interest Payment Date***" means February 1 and August 1, commencing February 1, 2027, unless a different date is set forth in the Note Purchase Agreement.

"*Master Lease Agreement*" means the Master Lease Agreement between the District and the QALICB, pursuant to which the QALICB will make periodic and special rental payments to the District as set forth therein.

"*Net Revenues*" means the income, revenues and receipts derived or to be derived by the District from the operation of the Hospital, and all funds established and maintained by the provisions of this Resolution, to the extent available to pay debt service on the Notes, subject to the prior payment of the reasonable and necessary expenses of operating and maintaining the Hospital, other than (a) depreciation, amortization and interest on long-term indebtedness (including the current portion thereof) and (b) all federal, state and local taxes assessed with respect to the income of the District if and to the extent that such income shall not have been included in the determination of annual revenue, all as determined in accordance with generally accepted accounting principles consistently applied; provided that no determination thereof shall take into account: (A) insurance proceeds payable as a result of casualty or other similar circumstances (other than the proceeds of medical and health insurance received for services rendered by the District or by a physician on behalf of the District, the proceeds of casualty insurance but only to the extent that the loss resulting from the casualty is included in the total expenses of the District with respect to the period in question and the proceeds of business interruption insurance), (B) extraordinary items determined in accordance with generally accepted accounting principles, (C) gains and losses attributable to refunding's, advance refunding's and other early extinguishments of indebtedness or (D) unrealized gains or losses on the valuation of investments.

"NMTC Transaction" means one or more New Market Tax Credit transactions which the District has entered into related to the Project.

"*Note*" or "*Notes*" means, the District's not exceeding $55,000,000 Bond Anticipation Notes, Series 2026, authorized pursuant to this Resolution.

"***Note Purchase Agreement***" means the agreement for the purchase and sale of the Notes by and between the District and the Underwriter, in substantially the form presented at this meeting.

"*Note Register*" means the records kept by the Trustee at its designated office in which registration of the Notes and transfers of the Notes shall be made as provided herein.

"Operating Lease Agreement" means the Operating Lease Agreement between the District and the QALICB, pursuant to which the District will make periodic and special rental payments to the QALICB as set forth therein.

"*Outstanding*" when used with respect to Notes means, as of the date of determination, all Notes or portions thereof theretofore issued and delivered under this Resolution, except:

1. Notes theretofore canceled by the Trustee or delivered to the Trustee for cancellation;

2. Notes in exchange for or in lieu of which other Notes have been registered and delivered pursuant to this Resolution;

3. Notes alleged to have been mutilated, destroyed, lost or stolen which have been paid as provided in this Resolution or by law; and

4. Notes or portions thereof which have actually been paid or defeased in the manner set forth in Section 23 hereof.

"*Owners*" means the person or persons in whose names any of the Notes, as appropriate, are registered.

"*Person*" means any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization, or government or any agency or political subdivision thereof.

"*Project*" means the construction, expansion and renovation of the Hospital, including, but not limited to, improvements, equipment, accessories and furnishings therefor.

"*Project Fund*" means the Series 2026 Bond Anticipation Note Project Fund established pursuant to Section 13 hereof.

"*QALICB*" means Delhi Health Management Solutions, a nonprofit corporation of the State of Louisiana, and the lessee pursuant to the Master Lease Agreement.

"*State*" means the State of Louisiana.

"*Trustee*" means Argent Institutional Trust Company, of Tampa, Florida.

"*Underwriter*" means Stifel, Nicolaus & Company, Incorporated, of Baton Rouge, Louisiana.

"*USDA*" means the United States of America, acting through the Department of Agriculture, Rural Development or any successor entity thereto.

"*USDA Direct Loan Bonds*" means the portion of the Hospital Revenue Bonds being purchased by the USDA, the aggregate principal amount of which is not expected to exceed $70,100,000.

For all purposes of this Resolution, except as otherwise expressly provided or unless the context otherwise requires, (a) words importing persons include firms, associations and corporation, (b) words importing the singular include the plural and vice versa and (c)words of the masculine gender shall be deemed and considered to include correlative words of the feminine and neuter genders.

SECTION 2. **Authorization; Designation of Notes; Interest Rate and Payment of Principal and Interest**. In compliance with the terms and provisions of the Bond Resolution and the Act, there is hereby authorized the incurring of an indebtedness of not exceeding $55,000,000 of Bond Anticipation Notes for, on behalf of, and in the name of the District for the purpose of financing a portion of the costs of the Project, funding capitalized interest on the Notes, and paying the costs of issuance of the Notes. The Notes shall be issued in fully registered form in the maximum principal amount of not to exceed $55,000,000, numbered R-1 upwards, bear interest at a rate not to exceed 9% per annum, and dated the Date of Delivery. The Notes shall be issued in denominations of $5,000, or any integral multiple thereof within a single maturity.

The Notes shall mature on August 1 in each of the years and in the principal amounts as shall be set forth in the Note Purchaser Agreement, may be serial notes or term notes with mandatory call provisions, as set forth in the Note Purchase Agreement, and shall mature no later than thirty-six (36) months from the Date of Delivery. The unpaid principal of the Notes shall bear interest from the date thereof or from the most recent Interest Payment Date to which interest has been paid or duly provided, payable on each Interest Payment Date.

The principal of and interest on the Notes shall be payable in such coin or currency of the United States of America which at the time of payment is legal tender for public and private debts.

The Notes shall bear interest at a rate or rates of interest (not exceeding 9% per maturity per annum) and shall be sold at such rate or rates as set forth in the Bond Purchase Agreement. Interest shall accrue on the outstanding principal of the Notes from the Date of Delivery at the rate per annum set forth in the Note Purchase Agreement and shall be due and payable on each Interest Payment Date. To the extent not previously paid, all principal and interest shall become immediately due and payable by the District on the Final Maturity Date.

The principal of the Notes, upon maturity or redemption, shall be payable at the principal office of the Trustee, upon presentation and surrender thereof, and interest on the Notes will be payable by check mailed or by accepted means of electronic communication by the Trustee to the Owner (determined as of the Record Date) at the address shown on the Note Register. Each Note delivered under this Note Resolution upon transfer or in exchange for or in lieu of any other Note shall carry all the rights to interest accrued and unpaid, and to accrue, which were carried by such

other Note, and each such Note shall bear interest (as herein set forth) so that neither gain nor loss in interest shall result from such transfer, exchange or substitution. No Note shall be entitled to any right or benefit under this Note Resolution, or be valid or obligatory for any purpose, unless there appears on such Note a certificate of registration, substantially in the form provided in this Note Resolution, executed by the Trustee by manual signature.

During any period after the initial delivery of the Notes in book-entry-only form when the Notes are delivered in multiple certificates form, upon request of a registered owner of at least $1,000,000 in principal amount of Notes outstanding, all payments of principal and interest on the Notes will be made by wire transfer in immediately available funds to an account designated by such registered owner; CUSIP number identification with appropriate dollar amounts for each CUSIP number will accompany all payments of principal and interest, whether by check or by wire transfer.

No Notes shall be entitled to any right or benefit under this Resolution, or be valid or obligatory for any purpose, unless there appears on such Notes a certificate of registration, substantially in the form provided in this Resolution, executed by the Trustee by manual signature.

SECTION 3. **Security for the Notes**. The Notes shall constitute a limited and special obligation of the District, the principal of which is payable from the proceeds to be derived from the USDA Direct Loan Bonds, the proceeds of which are hereby pledged to the repayment of the Notes. To the extent not paid from the foregoing, the principal and interest on the Notes shall be payable from the Net Revenues. The Net Revenues and the proceeds of the Hospital Revenue Bonds are hereby irrevocably and irrepealably pledged in an amount sufficient for the payment of the Notes in principal and interest as they shall respectively become due and payable and shall remain so pledged for the security of the Notes in principal and interest until they shall have been fully paid and discharged. The pledge of Net Revenues to pay the Notes shall be (i) on a parity with the pledge of Net Revenues to pay debt service on the Bank Loan Bonds, and (ii) superior to any payment obligations owed by the District with respect to the NMTC Transaction; however, it is expressly provided that the District shall not be required to set aside any Net Revenues or otherwise withhold a payment then due on the Bank Loan Bonds or with respect to the NMTC Transaction when no payment is then due on the Notes.

The Notes will not constitute a general obligation of the District, and neither the full faith and credit nor the taxing power of the District is pledged to the payment of the Notes. The issuance of the Notes shall not directly or indirectly or contingently obligate the District to levy or pledge any ad valorem taxes whatsoever therefore, and the Owners of the Notes shall have no recourse to the power of ad valorem taxation for payment or principal of and/or interest on the Notes. The Notes shall not be secured by a Mortgage or other security interest in the land or facilities comprising the Hospital.

The District covenants to use its best efforts to issue the USDA Direct Loan Bonds or other obligations in a principal amount sufficient, together with other available funds therefore, to pay the principal of and interest on the Notes at or before the Final Maturity Date. The District further covenants to budget a sufficient sum of money to pay the interest when due on the Notes.

The Executive Officers shall execute all documents necessary to provide the Underwriter with such pledges on the Date of Delivery as may be required.

SECTION 4. **Prepayment of Notes**. The principal of the Notes is subject to optional prepayment by the District beginning twenty-six (26) months from the Date of Delivery, in whole or in part, at the principal amount of the installment to be prepaid, plus accrued interest from the most recent interest payment date to which interest has been paid or duly provided for, to the date fixed for prepayment. Prepayment shall be noted on the applicable Note being prepaid, and interest on the amount of principal so prepaid shall cease from the date of prepayment.

Official notice of such prepayment of any of the Notes for prepayment shall be given by the Trustee by means of (i) first class mail, postage prepaid, by notice deposited in the United States mails not less than fifteen (15) days prior to the prepayment date or (ii) electronic transmission not later than fifteen (15) days prior to the prepayment date. Notice of prepayment may be conditioned on the availability of funds therefor.

SECTION 5. **Form of Note**. The Note and the endorsements to appear thereon shall be in substantially the form attached hereto as **Exhibit A**.

SECTION 6. **Book Entry Registration of Notes**. The Notes shall be initially issued in the name of Cede & Co., as nominee for The Depository Trust Company ("***DTC***"), as registered owner of the Note, and held in the custody of DTC. The Secretary of the Board of Commissioners or any other officer of the District is authorized to execute and deliver a Letter of Representation to DTC on behalf of the District with respect to the issuance of the Notes in "*book-entry only*" format. The Trustee is hereby directed to execute said Letter of Representation. The terms and provisions of said Letter of Representation shall govern in the event of any inconsistency between the provisions of this Note Resolution and said Letter of Representation. Initially, a single certificate will be issued and delivered to DTC for each maturity of the Notes. The Beneficial Owners will not receive physical delivery of Note certificates except as provided herein. Beneficial Owners are expected to receive a written confirmation of their purchase providing details of each Note acquired. For so long as DTC shall continue to serve as securities depository for the Notes as provided herein, all transfers of beneficial ownership interest will be made by book-entry only, and no investor or other party purchasing, selling or otherwise transferring beneficial ownership of Notes is to receive, hold or deliver any Note certificate.

Notwithstanding anything to the contrary herein, while the Notes are issued in book-entry-only form, the payment of principal of and interest on the Notes may be payable by the Trustee by wire transfer to DTC in accordance with the Letter of Representation.

For every transfer and exchange of the Notes, the Beneficial Owner may be charged a sum sufficient to cover such Beneficial Owner's allocable share of any tax, fee or other governmental charge that may be imposed in relation thereto.

Note certificates are required to be delivered to and registered in the name of the Beneficial Owner under the following circumstances:

(a) DTC determines to discontinue providing its service with respect to the Notes. Such a determination may be made at any time by giving 30 days' notice to the District and the Trustee and discharging its responsibilities with respect thereto under applicable law; or

(b) The District determines that continuation of the system of book-entry transfer through DTC (or a successor securities depository) is not in the best interests of the District and/or the Beneficial Owners.

The District and the Trustee will recognize DTC or its nominee as the Noteholder for all purposes, including notices and voting.

Neither the District or the Trustee are responsible for the performance by DTC of any of its obligations, including, without limitation, the payment of moneys received by DTC, the forwarding of notices received by DTC or the giving of any consent or proxy in lieu of consent.

Whenever during the term of the Notes the beneficial ownership thereof is determined by a book entry at DTC, the requirements of this Note Resolution of holding, delivering or transferring the Notes shall be deemed modified to require the appropriate person to meet the requirements of DTC as to registering or transferring the book entry to produce the same effect.

If at any time DTC ceases to hold the Notes, all references herein to DTC shall be of no further force or effect.

SECTION 7. **Rights of Owners.** The Owners shall be entitled to exercise all rights for which provision is made in the laws of the State. Any Owner or any trustee acting for such Owner in the manner hereinafter provided, may, either at law or in equity, by suit, action, mandamus or other proceeding in any court of competent jurisdiction, protect and enforce any and all rights under the laws of the State, or granted in this Resolution, and may compel the performance of all duties required by this Resolution or by any applicable statutes to be performed by the District or by any agency, board or officer thereof, including the fixing, charging and collecting of rates, fees or other charges for use of the Hospital, and in general to take any action necessary to protect the rights of the Owners.

In the event that an Event of Default shall occur in the payment of the interest on or principal of any of the Notes issued pursuant to this Resolution as the same shall become due, or in the making of the payments into any fund established by Section 13 of this Resolution or in the event that the District or any agency, board, officer, agent or employee thereof shall fail or refuse to comply with the provisions of this Resolution, or shall default in any covenant for a period of thirty (30) days after written notice thereof, as more fully described in Section 8 hereof, any Owner or any trustee appointed to represent Owners as hereinafter provided, shall be entitled as of right to the appointment of a receiver of the Hospital in an appropriate judicial proceeding in a court of competent jurisdiction.

The receiver so appointed shall forthwith enter into and take possession of the Hospital and shall hold, operate and maintain, manage and control the Hospital, and in the name of the District shall exercise all rights and powers of the District with respect to the Hospital. Such receiver shall

collect and receive all income, revenues and receipts, maintain and operate the Hospital in the manner provided in this Resolution, and comply under the jurisdiction of the court appointing such receiver with all of the provisions of this Resolution.

Whenever all that is due upon the Notes and interest thereon, and under any covenants of this Resolution for reserve, sinking or other funds, and upon any other obligations and interest thereon, having a charge, lien or encumbrance upon the fees, rentals or other revenues of the Hospital, shall have been paid and made good, and all defaults under the provisions of this Resolution shall have been cured and made good, possession of the Hospital shall be surrendered to the District upon the entry of an order of the court to that effect. Upon any subsequent default, any Owner, or any trustee appointed for Owners as hereinafter provided, shall have the same right to secure the further appointment of a receiver upon any such subsequent default. Such receiver shall in the performance of the powers hereinabove conferred upon him be under the direction and supervision of the court making such appointment, shall at all times be subject to the orders of such court and may be removed thereby and a successor appointed in the discretion of such court. Nothing herein contained shall limit the jurisdiction of such court to enter such other and further orders as such court may deem necessary for the exercise by the receiver of any function not specifically set forth herein.

Any receiver appointed as provided herein shall hold and operate the Hospital in the name of the District and for the joint protection and benefit of the District and the Owners. Such receiver shall have no power to sell, assign, mortgage or otherwise dispose of any assets belonging or pertaining to the Hospital but the authority of such receiver shall be limited to the possession, operation and maintenance of the Hospital for the sole purpose of the protection of both the District and Owners, and the curing and making good of any default under the provisions of this Resolution, and **the title to the Hospital shall remain in the District**, and no court shall have any jurisdiction to enter any order permitting or requiring such receiver to sell, mortgage or otherwise dispose of any assets of the Hospital except with the consent of the District and in such manner as the court shall direct.

The Owners in an aggregate principal amount of not less than twenty-five percent (25%) of the principal amount of the Notes then outstanding may by duly executed certificate in writing appoint a trustee for the Owners with authority to represent such Owners in any legal proceedings for the enforcement of the rights of such Owners. Such certificate shall be executed by such Owners, or by their duly authorized attorneys or representative, and shall be filed in the office of the Secretary of this Board of Commissioners.

Until an event of default shall have occurred, the District shall retain full possession and control of the Hospital with full right to manage, operate and use the same and every part thereof with the rights appertaining thereto, and to collect and receive and, subject to the provisions of this Resolution, to take, use and enjoy and distribute the earnings, income, rent, issue and profits accruing on or derivable from the Hospital.

SECTION 8. **Particular Covenants.** The District does hereby covenant and warrant so long as any of the Notes are outstanding and unpaid in principal and/or interest, that:

(a) It is or will be lawfully seized and possessed of the Hospital, that it has a legal right to pledge the income, revenues and receipts of the Hospital as herein provided, and that the Notes will have a lien and privilege on the Net Revenues as set forth herein.

(b) It will at all times maintain the Hospital in first class repair and working order and condition.

(c) The District, through its Board of Commissioners, shall maintain, or cause to be maintained at its sole cost and expense, insurance with respect to the Hospital, the operation thereof and its business against such casualties, contingencies and risks (including but not limited to public liability and employee dishonesty) and in amounts not less than is customary in the case of entities engaged in the same or similar activities and similarly situated and as is adequate to protect the Hospital and its operations and with commercially reasonable deductibles; provided that the District may elect to self-insure in accordance with State law.

All moneys received for losses under any fire and extended coverage insurance are hereby pledged by the District as security for the Notes, until and unless such proceeds are paid out in making good the loss or damage in respect of which such proceeds are received, either by repairing the property damaged or replacing the property destroyed, and adequate provision for making good such loss and damage shall be made within ninety (90) days from the date of the loss. The Owners shall be designated as loss payees as their interests may appear on the fire and extended coverage insurance policies for the physical properties of the Hospital and copies of said policies and binders shall be provided to such Owners upon written request. Such insurance proceeds, to the extent not so used, shall be used for the retirement of as many of the Notes as can be retired therewith through redemption in the manner provided in this Resolution, or through purchase at prices not greater than the redemption prices provided herein.

(d) It will cause to be maintained separate records and accounts and make full and correct entries of all transactions relating to the Hospital. All books and accounts pertaining to the Hospital shall be audited annually no later than six (6) months after the close of each Fiscal Year, or such later date as may be permitted by the Louisiana Legislative Auditor, by a recognized independent firm of certified or registered public accountants, which audit shall reflect all receipts and disbursements made for the account of the Hospital. Such audit shall be furnished upon request to any Owner, the registered owner of the Series 2026 Bonds and to the USDA. All expenses incurred in the making of the audits required by this paragraph shall be regarded and paid as an operating expense.

(e) It will not sell, lease or in any manner dispose of the Hospital or any substantial part thereof, provided property which in the District's sole judgment is worn-out, unserviceable, unsuitable, or unnecessary in the operation of the Hospital, when other property of equal value is substituted therefor, or the proceeds derived from the disposal of such property are used for constructing and acquiring extensions and improvements to the Hospital or repairing the Hospital, provided, however, the District is authorized to enter into the Master Lease Agreement, the Operating Lease Agreement, and the Equipment Lease Agreement with respect to the NMTC Transaction.

(f) Except as provided in Section 13 hereof and with regard to the NMTC Transaction, the District will not voluntarily create or cause to be created any debt, lien, pledge, mortgage, assignment, encumbrance, or any other charges having priority over or parity with the lien of the Notes and upon the income, revenues and receipts of the Hospital pledged as security therefor, nor shall District suffer or permit an involuntary lien or encumbrance to be created having priority over or parity with the lien of the Notes on the collateral pledged or mortgaged as security therefor, but shall promptly discharge the debt or obligation secured by such lien or encumbrance, unless the same is being challenged in good faith in a court of competent jurisdiction, nor shall the District voluntarily create or cause to be created any debt, lien, pledge, mortgage, assignment, encumbrance, or any other charges subordinate and junior to the lien of the Notes on the collateral pledged or mortgaged as security therefor, excepting such liens or encumbrances which may arise in the ordinary course of business and are seasonally discharged.

(g) To the extent permitted by law and except for the FQHC currently in existence, it will not grant a franchise to any entity for operation within the boundaries of the District which would render services or facilities in competition with the Hospital, and will oppose the granting of such franchise by any other public body having jurisdiction over such matters.

(h) It shall require all officers and employees in a position of authority or in possession of money derived from the lease or operation of the Hospital to be covered by a blanket fidelity or faithful performance bond, or independent fidelity bonds, written by a responsible indemnity company in amounts adequate to protect the District from loss.

SECTION 9. **Income; Revenues and Receipts.** All of the income, revenues and receipts earned from the operation of the Hospital shall be deposited promptly as provided in Section 8 of the Bond Resolution in the Operating Fund, which shall be maintained with a regularly designated fiscal agent bank of the District as provided herein, separate and apart from all other funds of the District. All of the funds herein created and provided for shall be and constitute trust funds for the purposes provided in this Resolution, and the Owners are hereby granted a lien on all such funds and accounts until applied in the manner provided in this Resolution. The moneys in all of such funds shall at all times be secured to the full extent thereof by the bank or trust company holding such funds in accordance with State law.

SECTION 10. **Execution of the Notes**. The Notes shall be signed by the Executive Officers, for, on behalf of, and under the corporate seal of the District.

SECTION 11. **Registration of Notes**. The Notes shall be fully registered as to principal and interest by the Trustee, and no transfer or assignment shall be valid unless made on the Note Register and similarly noted on the back of the Note. Upon such transfer or assignment, the transferor or assignor shall surrender the Notes for transfer on said registration records and verifications of endorsements made on the Notes.

SECTION 12. **Budget; Financial Statements**. As long as any of the Notes are outstanding and unpaid in principal or interest, the District shall prepare and adopt a budget prior to the beginning of each Fiscal Year. Not later than six (6) months after the close of such Fiscal Year, or such later time as may be permitted by the Louisiana Legislative Auditor, the District

shall cause an audit of its books and accounts to be made by the Louisiana Legislative Auditor or an independent firm of certified public accountants showing the receipts and disbursements made by the District during the previous Fiscal Year. Such audit shall be available for inspection by the Owner of any of the Notes, and, upon completion, a copy of such audit shall be furnished to the Underwriter.

SECTION 13. **Application of Proceeds; Establishment of Funds; Disbursement Agreement**. (a) The Executive Officers are hereby empowered, authorized and directed to do any and all things necessary and incidental to carry out all of the provisions of this Resolution, to cause the necessary Notes to be printed, to issue, execute and seal the Notes and to effect delivery thereof as hereinafter provided.

(b) The principal amount of the Notes to pay costs of the Project shall be disbursed to the District on the Date of Delivery. For deposit of the proceeds of the Note for such purpose, the District hereby establishes and shall maintain a special fund with Commercial Capital Bank, or its successors or assigns, known and designated as the "*Series 2026 Bond Anticipation Note Project Fund*" (the "***Project Fund***") into which the District shall deposit such proceeds. Such amounts shall, upon instructions from the District, be used to pay costs of issuance of the Notes or costs of the Project in accordance with the Disbursement Agreement.

(c) The principal amount of the Notes to pay capitalized interest on the Notes shall be disbursed to the Trustee on the Date of Delivery. For the payment of interest on the Notes through the Final Maturity Date, the District hereby establishes and shall maintain a special fund with the Trustee to be known as the "*Bond Anticipation Note Capitalized Interest Fund*" (the "***Capitalized Interest Fund***") into which the District shall deposit a portion of the proceeds of the Notes in the amount set forth in the Note Purchase Agreement. The Trustee shall transfer from the Capitalized Interest Fund to the Sinking Fund two (2) days prior to each Interest Payment Date an amount sufficient to pay the interest due on the Notes on such Interest Payment Date.

(d) For the payment of interest on the Notes through the Final Maturity Date, the District hereby establishes and shall maintain a special fund with the Trustee to be known as the "*Bond Anticipation Note Sinking Fund*" (the "***Sinking Fund***") into which the Trustee shall deposit the amounts required pursuant to Subsection (c) of this Section and the District shall deposit or cause to be deposited the amounts required to pay all principal and interest due on the Notes on the Final Maturity Date or upon the earlier redemption of the Notes in whole or in part, to the extent not transferred from the Capitalized Interest Fund or from other sources. On or before each Interest Payment Date, the Trustee shall withdraw moneys from the Sinking Fund to pay interest due on such Interest Payment Date, and on the Final Maturity Date or upon the earlier redemption of the Notes in whole or in part, the Trustee shall withdraw moneys from the Sinking Fund to pay all principal and interest due on the Final Maturity Date.

(e) The District is permitted but not required to deposit additional moneys in the Project Fund, the Sinking Fund, or the Capitalized Interest Fund as it may determine in its sole discretion. Any amounts remaining in the Project Fund, the Sinking Fund, or the Capitalized Interest Fund after the Final Maturity Date or earlier redemption in whole of the Notes may, in the discretion of

the District, be deposited into the Project Fund or applied to the payment or prepayment of the Notes.

(f) To ensure proper disbursement and application of proceeds of the Notes to pay costs of the Project, the District has requested the Trustee to act as disbursing agent, and the Trustee has agreed to act as the disbursing agent, in such capacity for all such funds and proceeds. The Disbursement Agreement is hereby expressly approved in the form presented as this meeting, and the Executive Officers, or either of them, are authorized and directed to execute the Disbursement Agreement on behalf of the District and as its act and deed and are further authorized to take any and all other action as may be requested by the Trustee pursuant to the Disbursement Agreement.

SECTION 14. **Notes Legal Obligations**. The Notes shall constitute legal, binding and valid obligations of the District and shall be the only respective representations of the indebtedness as herein authorized and created.

SECTION 15. **Incorporation of Provisions of Bond Resolution**. To provide additional security for the Owners of any of the Notes from time-to-time, the provisions of Sections 10 and 12 of the Bond Resolution are incorporated by reference herein and shall be binding upon the District while any of the Notes are Outstanding. The District further covenants not to issue any other bonds or debt obligations payable from Net Revenues other than the Hospital Revenue Bonds while any of the Notes are Outstanding.

SECTION 16. **Resolution a Contract**. The provisions of this Resolution shall constitute a contract between the District, or its successor, and the Owner or Owners from time to time of any of the Notes, as applicable, and any such Owner or Owners may at law or in equity, by suit, action, mandamus or other proceedings, enforce and compel the performance of all duties required to be performed by this Board of Commissioners or the District as a result of issuing the Notes including, without limitation, the enforcement of any pledge, assignment or mortgage authorized herein.

No material modification or amendment of this Resolution, or of any Resolution amendatory hereof or supplemental hereto, may be made without the consent in writing of the Owners of two thirds (2/3) of the aggregate principal amount of the Notes then Outstanding; provided, however, that no modification or amendment shall permit a change in the maturity provisions of the Notes, or a reduction in the rate of interest thereon, or in the amount of the principal obligation thereof, or affecting the obligation of the District to pay the principal of and the interest on the Notes as the same shall come due from the revenues appropriated, pledged and dedicated to the payment thereof by this Resolution, or reduce the percentage of the Owners required to consent to any material modification or amendment of this Resolution, without the consent of the Owners of all of the Outstanding Notes.

SECTION 17. **Severability; Application of Subsequently Enacted Laws**. In case any one or more of the provisions of this Resolution or of the Notes shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provisions of this Resolution or of the Notes, but this Resolution, the Notes shall be construed and enforced as if such illegal or invalid provisions had not been contained therein. Any constitutional or statutory provisions enacted after the date of this Resolution which validate or make legal any provision of this

Resolution and/or the Notes which would not otherwise be valid or legal, shall be deemed to apply to this Resolution, the Notes.

SECTION 18. **Recital of Regularity**. This Board of Commissioners having investigated the regularity of the proceedings had in connection with the Notes and having determined the same to be regular, the Notes shall contain the following recital, to-wit:

> "*It is certified that this Note is authorized by and is issued in conformity with the requirements of the Constitution and statutes of the State of Louisiana*."

SECTION 19. **Effect of Registration**. The District, the Trustee, and any agent of either of them may treat the Owner in whose name any Note is registered as the Owner of such Note for the purpose of receiving payment of the principal of and interest on such Note and for all other purposes whatsoever, and to the extent permitted by law, neither the District, the Trustee, nor any agent of either of them shall be affected by notice to the contrary.

SECTION 20. **Notices to Owners**. Wherever this Resolution provides for notice to Owners of any Note of any event, such notice shall be sufficiently given (unless otherwise herein expressly provided) if in writing and mailed, first-class postage prepaid, to each Owner of such Note, at the address of such Owner as it appears in the applicable note register. In any case where notice to Owners of any Note is given by mail, neither the failure to mail such notice to any particular Owner nor any defect in any notice so mailed shall affect the sufficiency of such notice with respect to any other Note. Where this Resolution provides for notice in any manner, such notice may be waived in writing by the Owner or Owners entitled to receive such notice, either before or after the event, and such waiver shall be the equivalent of such notice. Waivers of notice by Owners shall be filed with the Trustee, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

SECTION 21. **Cancellation of Notes**. Any Note surrendered for payment, transfer, exchange or replacement, if surrendered to the Trustee, shall be promptly canceled by it and, if surrendered to the District, shall be delivered to the Trustee and, if not already canceled, shall be promptly canceled by the Trustee. The District may at any time deliver to the Trustee for cancellation any Note previously registered and delivered which the District may have acquired in any manner whatsoever, and any Note so delivered shall be promptly canceled by the Trustee. All canceled Notes held by the Trustee shall be disposed of as directed in writing by the District.

SECTION 22. **Mutilated, Destroyed, Lost or Stolen Notes**. If (1) any mutilated Note is surrendered to the Trustee, or the District and the Trustee receive evidence to their satisfaction of the destruction, loss or theft of any Note, and (2) there is delivered to the District and the Trustee such security or indemnity as may be required by them to save each of them harmless, then, in the absence of notice to the District or the Trustee that such Note has been acquired by a bona fide purchaser, the District shall execute, and upon its request the Trustee shall register and deliver, in exchange for or in lieu of any such mutilated, destroyed, lost, or stolen note, a new Note, as applicable, of the same series and maturity and of like tenor, interest rate and principal amount, bearing a number not contemporaneously outstanding. In case any such mutilated, destroyed, lost or stolen Note has become or is about to become due and payable, the District in its discretion

may, instead of issuing a new Note, as applicable pay such Note. Upon the issuance of any new Note under this Section, the District may require the payment by the Owner of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the fees and expenses of the Trustee) connected therewith. Every new Note issued pursuant to this Section in lieu of any mutilated, destroyed, lost or stolen Note shall constitute a replacement of the prior obligation of the District, whether or not the mutilated, destroyed, lost or stolen note shall be at any time enforceable by anyone and shall be entitled to all the benefits of this Resolution. The provisions of this Section are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement and payment of mutilated, destroyed, lost or stolen Notes.

SECTION 23. **Discharge of Resolution; Defeasance**. If the District shall pay or cause to be paid, or there shall otherwise be paid to the Owners of the Notes, the principal of and interest on the Notes, at the times and in the manner stipulated in this Resolution, then the pledge of the money, securities, and funds pledged under this Resolution and all covenants, agreements, and other obligations of the District to the Owner thereof shall thereupon cease, terminate, and become void and be discharged and satisfied, and upon complete discharge of this Resolution pursuant to this Section, the Trustee shall pay over or deliver all money held by it under this Resolution to the District.

Notes or interest installments for the payment of which money shall have been set aside and shall be held in trust (through deposit by the District of funds for such payment or otherwise) at the maturity date thereof shall be deemed to have been paid within the meaning and with the effect expressed above in this Section if they are defeased in the manner provided by Chapter 14 of Title 39 of the Louisiana Revised Statutes of 1950, as amended.

SECTION 24. **Successor Trustee**. The District will at all times maintain a Trustee meeting the qualifications hereinafter described for the performance of the duties hereunder for the Notes. The designation of the initial Trustee in this Resolution is hereby confirmed and approved. The District reserves the right to appoint a successor Trustee by (a) filing with the Person then performing such function a certified copy of a resolution or ordinance giving notice of the termination of the agreement and appointing a successor and (b) causing notice to be given to each Owner. Every successor Trustee appointed hereunder shall at all times be a bank or trust company organized and doing business under the laws of the United States of America or of any state, authorized under such laws to exercise trust powers, and subject to supervision or examination by Federal or State authority. The Executive Officers are hereby authorized and directed to execute an appropriate agreement with any successor Trustee for and on behalf of the District in such form as may be satisfactory to said officers, the signatures of said officers on such agreement to be conclusive evidence of the due exercise of the authority granted hereunder.

SECTION 25. **Arbitrage**. The District covenants and agrees that, to the extent permitted by the laws of the State of Louisiana, it will comply with the requirements of the Code in order to establish, maintain and preserve the exclusion from "*gross income*" of interest on the Notes under the Code. The District further covenants and agrees that it will not take any action, fail to take any action, or permit any action within its control to be taken, or permit at any time or times any of the proceeds of the Notes or any other funds of the District to be used directly or indirectly in any

manner, the effect of which would be to cause the Notes to be "*arbitrage bonds*" or would result in the inclusion of the interest on any of the Notes in gross income under the Code, including, without limitation, (i) the failure to comply with the limitation on investment of Note proceeds, (ii) the failure to pay any required rebate of arbitrage earnings to the United State of America or (iii) the use of the proceeds of the Notes in a manner which would cause the Notes to be "*private activity bonds*." The Executive Officers are hereby empowered, authorized and directed to take any and all action and to execute and deliver any instrument, document or certificate necessary to effectuate the purpose of this Section.

SECTION 26. **Disclosure Under SEC Rule 15c2-12**. The Executive Officers are hereby empowered and directed to execute an appropriate Continuing Disclosure Certificate (substantially in the form set forth in the official statement issued in connection with the issuance and sale of the Notes) pursuant to S.E.C. Rule 15c2-12(b)(5).

SECTION 27. **Publication**. A copy of this Resolution shall be published immediately after its adoption in one issue of the official journal of the District; however, it shall not be necessary to publish any exhibits hereto if the same are available for public inspection and such fact is stated in the publication.

SECTION 28. **Award of Notes**. The Notes are hereby authorized to be sold to the Underwriter, and the Executive Officers, or either of them, are hereby authorized to execute the Note Purchase Agreement, provided that the sale of the Notes is within the parameters set forth in Louisiana law and in this Resolution. In reliance upon the authority granted in this Section, and without further action of this District, the Note Purchase Agreement when executed shall be a binding obligation of the District. The Note Purchase Agreement may provide for the purchase of bond insurance in the event an Executive Officer, on behalf of the District, finds and determines that the purchase of such bond insurance will be of benefit. In such event, the Executive Officers, or either of them, are hereby authorized to execute all documents and agreements necessary and appropriate in connection with obtaining and securing the bond insurance. After their execution and authentication by the Trustee, the Notes shall be delivered to the Underwriter or their agents or assigns, upon receipt by the District of the agreed purchase price.

The Note Purchase Agreement shall be in substantially the form presented at this meeting with such changes as may be approved by the Executive Officers signing the Note Purchase Agreement, their execution being conclusive evidence of their approval of such changes. The Executive Officers are each hereby empowered to deliver or cause to be executed and delivered all documents required to be executed on behalf of the District or deemed by them necessary or advisable to implement this Resolution or to facilitate the sale of the Notes as set forth in the Note Purchase Agreement.

SECTION 29. **Execution of Documents**. In connection with the issuance and sale of the Notes, the Executive Officers are each authorized, empowered and directed to execute on behalf of the District such documents, certificates and instruments as they may deem necessary, upon the advice of bond counsel, to effect the matters contemplated by this Resolution, the signatures of the Executive Officers on such documents, certificates and instruments to be conclusive evidence of the due exercise of the authority granted hereunder.

SECTION 30. **Headings**. The headings of the various sections hereof are inserted for convenience of reference only and shall not control or affect the meaning or construction of any of the provisions hereof.

SECTION 31. **Effective Date**. This Resolution shall take effect immediately.

This resolution having been submitted to a vote, the vote thereon was as follows:

YEAS: 4

NAYS: 0

ABSENT: 1

ABSTAINING: 0

And the resolution was declared adopted on this, the 25th day of June, 2026.

/s/ Mildred Greer	/s/ Corey Albritton
Secretary	Chairman

EXHIBIT A

NO. R-__ PRINCIPAL AMOUNT $_____

Unless this Note is presented by an authorized representative of the Depository Trust Company, a New York corporation ("DTC"), to the Issuer or their agent for registration of transfer, exchange, or payment, and any Note issued is 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 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.

As provided in the Note Resolution referred to herein, until the termination of the system of book-entry-only transfers through DTC and notwithstanding any other provision of the Note Resolution to the contrary, this Note may be transferred, in whole but not in part, only to a nominee of DTC, or by a nominee of DTC to DTC or a nominee of DTC, or by DTC or a nominee of DTC to any successor securities depository or any nominee thereof.

UNITED STATES OF AMERICA
STATE OF LOUISIANA
PARISH OF RICHLAND

BOND ANTICIPATION NOTE, SERIES 2026
RICHLAND PARISH HOSPITALSERVICE DISTRICT NO. 1A,
STATE OF LOUISIANA

Note Date	Maturity Date	Interest Rate	CUSIP Number
_____, 2026	_____ 1, 20__	_____%	_____

HOSPITAL SERVICE DISTRICT NO. 1A OF THE PARISH OF RICHLAND, STATE OF LOUISIANA (the "***District***"), for value received, hereby promises to pay, but solely from the source and as hereinafter provided, to

REGISTERED OWNER: CEDE & CO. (Tax Identification #13-2555119)

PRINCIPAL AMOUNT: _____

or registered assigns, on the Maturity Date set forth above, the Principal Amount set forth above, together with interest thereon from the Note Date set forth above or the most recent Interest Payment Date to which interest has been paid or duly provided for, payable on _____ 1, 202_, and semiannually thereafter on _____ 1 and _____ 1 of each year (each an "Interest Payment Date"), at the Interest Rate per annum set forth above until said Principal Amount is paid,

unless this Note shall have been previously called for redemption and payment shall have been duly made or provided for. The principal of this Note, upon maturity or redemption, is payable in lawful money of the United States of America at the designated corporate trust office of Argent Institutional Trust Company, in Tampa, Florida, or successor thereto (the "Trustee"), upon presentation and surrender hereof. Interest on this Note is payable by check mailed by the Trustee to the registered owner (determined as of the 15th calendar day of the month next preceding each Interest Payment Date) at the address as shown on the registration books of the Trustee.

During any period after the initial delivery of the Notes in book-entry-only form when the Notes are delivered in multiple certificates form, upon request of a registered owner of at least $1,000,000 in principal amount of Notes outstanding, all payments of principal, premium, if any, and interest on the Notes will be paid by wire transfer in immediately available funds to an account designated by such registered owner; CUSIP number identification with appropriate dollar amounts for each CUSIP number must accompany all payments of principal, premium, and interest, whether by check or by wire transfer.

FOR SO LONG AS THIS NOTE IS HELD IN BOOK-ENTRY FORM REGISTERED IN THE NAME OF CEDE & CO. ON THE REGISTRATION BOOKS OF THE DISTRICT KEPT BY THE TRUSTEE, AS NOTE REGISTRAR, THIS NOTE, IF CALLED FOR PREPAYMENT IN ACCORDANCE WITH THE NOTE RESOLUTION SHALL BECOME DUE AND PAYABLE ON THE PREPAYMENT DATE DESIGNATED IN THE NOTICE OF PREPAYMENT GIVEN IN ACCORDANCE WITH THE NOTE RESOLUTION AT, AND ONLY TO THE EXTENT OF, THE PREPAYMENT PRICE, PLUS ACCRUED INTEREST TO THE SPECIFIED PREPAYMENT DATE; AND THIS NOTE SHALL BE PAID, TO THE EXTENT SO PREPAID, (i) UPON PRESENTATION AND SURRENDER THEREOF AT THE OFFICE SPECIFIED IN SUCH NOTICE OR (ii) AT THE WRITTEN REQUEST OF CEDE & CO., BY CHECK MAILED TO CEDE & CO. BY THE TRUSTEE OR BY WIRE TRANSFER TO CEDE & CO. BY THE PAYING AGENT IF CEDE & CO. AS NOTEOWNER SO ELECTS. IF, ON THE PREPAYMENT DATE, MONEYS FOR THE PREPAYMENT OF NOTES OF SUCH MATURITY TO BE PREPAID, TOGETHER WITH INTEREST TO THE PREPAYMENT DATE, SHALL BE HELD BY THE TRUSTEE SO AS TO BE AVAILABLE THEREFOR ON SUCH DATE, AND AFTER NOTICE OF PREPAYMENT SHALL HAVE BEEN GIVEN IN ACCORDANCE WITH THE NOTE RESOLUTION, THEN, FROM AND AFTER THE PREPAYMENT DATE, THE AGGREGATE PRINCIPAL AMOUNT OF THIS NOTE SHALL BE IMMEDIATELY REDUCED BY AN AMOUNT EQUAL TO THE AGGREGATE PRINCIPAL AMOUNT THEREOF SO PREPAID, NOTWITHSTANDING WHETHER THIS NOTE HAS BEEN SURRENDERED TO THE TRUSTEE FOR CANCELLATION.

This Note is one of an authorized issue aggregating in principal the sum of _____ Dollars ($_____) of Bond Anticipation Notes, Series 2026 (the "Notes"), all of like tenor and effect except as to number, rate, principal amount, and maturity, said Notes having been issued by the District pursuant to a resolution adopted by its governing authority on _____ ___, 2026 (the "Note Resolution"), for the purposes set forth in the Note Resolution.

The Notes are issuable in the denomination of $5,000, or any integral multiple thereof within a single maturity. As provided in the Note Resolution, and subject to certain limitations set forth therein, the Notes are exchangeable for an equal aggregate principal amount of Notes of the same maturity of any other authorized denomination.

Subject to the limitations and requirements provided in the Note Resolution, the transfer of this Note shall be registered on the registration books of the Trustee upon surrender of this Note at the principal corporate trust office of the Trustee as Note Registrar, duly endorsed by, or accompanied by a written instrument of transfer in form and a guaranty of signature satisfactory to the Trustee, duly executed by the registered owner or his attorney duly authorized in writing, and thereupon a new Note or Notes of the same maturity and of authorized denomination or denominations, for the same aggregate principal amount, will be issued to the transferee. Prior to due presentment for transfer of this Note, the District and the Trustee may deem and treat the registered owner hereof as the absolute owner hereof (whether or not this Note shall be overdue) for the purpose of receiving payment of or on account of principal hereof and interest hereon and for all other purposes, and neither the District nor the Trustee shall be affected by any notice to the contrary.

The District and the Trustee shall not be required to (a) issue, register the transfer of or exchange any Note during a period beginning at the opening of business on the 15th day of the month next preceding an interest payment date or any date of selection of Notes to be redeemed and ending at the close of business on the interest payment date or (b) to register the transfer of or exchange any Note so selected for redemption in whole or in part.

The Notes maturing on _____ 1, 20___, and thereafter, shall be callable for prepayment at the option of the District in full or in part at any time on or after _____ 1, 20___ at the principal amount thereof of each Note to be called for maturity, plus accrued interest from the most recent Interest Payment Date to which interest has been paid or duly provided for.

In the event a Note to be prepaid is of a denomination larger than $5,000, a portion of such Note ($5,000 or any multiple thereof) may be redeemed. Notes are not required to be redeemed in inverse order of maturity. Official notice of such call of any of the Notes for prepayment shall be given by the Trustee by means of (i) first class mail, postage prepaid, by notice deposited in the United States mails or via accepted means of electronic communication not less than fifteen (15) days prior to the prepayment date or (ii) electronic transmission not later than fifteen (15) days prior to the prepayment date. Notice of prepayment may be conditioned on the availability of funds therefor.

[Insert Mandatory Sinking Fund Redemption language, if required.]

This Note shall constitute a limited and special obligation of the District, the principal of which is payable from the proceeds to be derived from the sale and issuance of the Hospital Revenue Bonds or other obligations to provide permanent financing for the Project. To the extent not paid from the foregoing, this Notes shall be payable from the Net Revenues and shall be further secured by a mortgage on the immovable property constituting the Hospital.

This Note will not constitute a general obligation of the District and neither the full faith and credit nor the taxing power of the District is pledged to the payment of this Note. The issuance of this Note shall not directly or indirectly or contingently obligate the District to levy or pledge any ad valorem taxes whatsoever therefore, and the Owners of this Note shall have no recourse to the power of ad valorem taxation for payment or principal of and/or interest on this Note.

The District covenants to use its best efforts to issue the Hospital Revenue Bonds or other obligations in a principal amount sufficient, together with other available funds therefore, to pay the principal of and interest on this Note at maturity. The District further covenants to budget a sufficient sum of money to pay the interest when due on this Note.

It is certified that this Note is authorized by and is issued in conformity with the requirements of the Constitution and statutes of the State of Louisiana.

IN WITNESS WHEREOF, the Board of Commissioners of Hospital Service District No. 1A of the Parish of Richland, State of Louisiana, acting as the governing authority of the District, has caused this Note to be executed in the name of the District by the manual signatures of its Chairman and its Secretary, and the District's corporate seal to be impressed hereon.

HOSPITAL SERVICE DISTRICT NO. 1A
OF THE PARISH OF RICHLAND, STATE OF LOUISIANA

_____	_____
Secretary Board of Commissioners	Chairman Board of Commissioners

[SEAL]

* * * * * *

(FORM OF PAYING AGENT'S CERTIFICATE OF REGISTRATION)

This Note is one of the Notes referred to in the within mentioned Note Resolution.

ARGENT ISTITUTIONAL TRUST COMPANY,
as Trustee

_____
Authorized Officer

Date of Registration: _____, 2026

* * * * * *

(**FORM OF ASSIGNMENT**)

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto _____

_____

Please Insert Social Security or other Identifying Number of Assignee

the within Note and all rights thereunder, and hereby irrevocably constitutes and appoints _____

_____

attorney or agent to transfer the within Note on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

_____

NOTICE: The signature to this assignment must correspond with the name as it appears upon the face of the within Note in every particular, without alteration or enlargement or any change whatever.

* * * * * *

APPENDIX E

THE BOND RESOLUTION

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The following resolution was offered by Corey Albritton and seconded by Nathan Monroe:

RESOLUTION

A resolution providing for the incurring of debt and issuance of not exceeding $79,100,000 of Hospital Revenue Bonds, in multiple series, of Hospital Service District No. 1A of the Parish of Richland, State of Louisiana, and providing for other matters in connection therewith.

WHEREAS, Hospital Service District No. 1A of the Parish of Richland, State of Louisiana (the "***District***"), currently owns and operates Richland Parish Hospital (the "***Hospital***"), located at 407 Cincinnati Street, Delhi, Louisiana; and

WHEREAS, this Board of Commissioners of the District (the "***Board***"), acting as the governing authority of the District now wishes to construct, expand and renovate the Hospital and other medical facilities of the District, including, but not limited to, improvements, equipment, accessories and furnishings therefor (the "***Project***"), and to finance costs thereof through the issuance of hospital revenue bonds of the District payable as to principal, interest and redemption premium, if any, from a dedication and pledge of the income, revenues and receipts derived or to be derived from the operation of the Hospital and medical facilities operated by the District and any additional improvements, including the Project, as set forth herein, pursuant to the provisions of Part II, Chapter 4 of Subtitle II of Title 39 of the Louisiana Revised Statutes of 1950, as amended, and other constitutional and statutory authority (collectively, the "***Act***") ; and

WHEREAS, pursuant to the authority of the Act, this Board, by resolution adopted January 6, 2026, gave notice of its intention to issue Hospital Revenue Bonds of the District in multiple series in an amount not exceeding $79,100,000, held a public hearing pursuant to said notice on February 3, 2026, and determined and found that no petitions requesting an election were presented at said public hearing; and

WHEREAS, this Board now desires to incur debt and issue, sell and deliver Hospital Revenue Bonds of the District, in multiple series, in an amount not exceeding $79,100,000; and

WHEREAS, this Board also wishes to authorize interim financing for costs of construction of the Project through the issuance of not exceeding $79,100,000 of Bond Anticipation Notes of the District in multiple series, all as required by the Government, pursuant to the provisions of the Act to provide funding for the Project in anticipation of the Bonds (the "***Notes***"); and

WHEREAS, the District presently has no outstanding debt obligations which are payable from a pledge and dedication of the revenues derived or to be derived from the operation of the Hospital; and

WHEREAS, this Board further desires to fix the details necessary with respect to the issuance of the Bonds and the Notes, and to provide for the authorization and issuance thereof; and

WHEREAS, the Richland Parish Police Jury has approved the issuance of the Bonds and the Notes.

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of Hospital Service District No. 1A of the Parish of Richland, State of Louisiana, acting as the governing authority of Hospital Service District No. 1A of the Parish of Richland, State of Louisiana, that:

SECTION 1. Definitions. As used herein, the following terms shall have the following meanings, unless the context otherwise requires:

"*Act*" means Part II, Chapter 4 of Subtitle II of Title 39 of the Louisiana Revised Statutes of 1950, as amended, and other constitutional and statutory authority.

"*Additional Parity Bonds*" means any additional *pari passu* bonds issued hereafter pursuant to Section 13 hereof.

"*Board*" means the Board of Commissioners of Hospital Service District No. 1A of the Parish of Richland, State of Louisiana, or any legal successor thereto.

"*Bond Register*" or **"*Bond Registers*"** means the records kept by the appropriate Paying Agents at their respective principal offices in which registrations of the Bonds and transfers thereof shall be made as provided herein.

"*Bonds*" means, collectively, the Series 2026 Bonds and the Series 2028 Bonds of the District.

"*Date of Delivery*" means each date upon which the District receives the proceeds of the Bonds.

"*Debt Service*" means with respect to any designated period, the aggregate principal and interest due and payable, plus all required deposits pursuant to Section 8 herein, on the Bonds and any Additional Parity Bonds during such period.

"*Debt Service Coverage Ratio*" means for the period in question the ratio of the excess of (i) total Net Revenues of the District over (ii) the largest amount of Debt Service due in any Fiscal Year ending on or after such period.

"*District*" means Hospital Service District No. 1A of the Parish of Richland, State of Louisiana.

"Equipment Lease Agreement" means the Equipment Lease Agreement between the District and the QALICB, pursuant to which the District will make periodic and special rental payments to the QALICB as set forth therein.

"*Executive Officers*" means, collectively, the Chairman and the Secretary of the Board of Commissioners of Hospital Service District No. 1A of the Parish of Richland, State of Louisiana.

"*Fiscal Year*" means the one-year accounting period commencing on October 1 of each year, or such other one-year period as may be designated by the Board as the fiscal year of the District.

"*FQHC*" means the Delhi Community Health Center, a federally qualified health center, and all facilities, property, equipment, furnishings and leasehold improvements associated therewith.

"*Government*" means the United States of America, acting through the Department of Agriculture, Rural Development or any successor entity thereto.

"*Hospital*" means the Richland Parish Hospital, located at 407 Cincinnati Street, Delhi, Louisiana, and other medical facilities of the District, including, but not limited to, buildings, improvements, equipment, accessories and furnishings, as now existing and as constructed, acquired, extended and improved hereafter from any source whatsoever while any of the Bonds remain outstanding, including, specifically, all properties of every nature owned in whole or in part by the District and used or useful in the operation of its hospital facilities, including real estate, personal and intangible properties, contracts, franchises, leases and choses in action; provided, however, that **"*Hospital*"** shall not include the FQHC.

"*Management Consultant*" means an independent professional management consultant having a favorable national reputation for skill and experience in hospital consulting work, selected by the District and acceptable to the Paying Agents who may be (without limitation) the independent public accountant for the District, if such independent public accountant otherwise meets the criteria set forth in this definition.

"*Master Lease Agreement*" means the Master Lease Agreement between the District and the QALICB, pursuant to which the QALICB will make periodic and special rental payments to the District as set forth therein.

"*Net Revenues*" means the income, revenues and receipts derived or to be derived by the District from the operation of the Hospital, and all funds established and maintained by the provisions of this Resolution, to the extent available to pay debt service on the Bonds, subject to the prior payment of the reasonable and necessary expenses of operating and maintaining the Hospital, other than (a) depreciation, amortization and interest on long-term indebtedness (including the current portion thereof) and (b) all Federal, state and local taxes assessed with respect to the income of the District if and to the extent that such income shall not have been included in the determination of annual revenue, all as determined in accordance with generally accepted accounting principles consistently applied; provided that no determination thereof shall take into account: (A) insurance proceeds payable as a result of casualty or other similar circumstances (other than the proceeds of medical and health insurance received for services rendered by the District or by a physician on behalf of the District, the proceeds of casualty insurance but only to the extent that the loss resulting from the casualty is included in the total expenses of the District with respect to the period in question and the proceeds of business interruption insurance), (B) extraordinary items determined in accordance with generally accepted accounting principles, (C) gains and losses attributable to refundings, advance refundings and

other early extinguishments of indebtedness or (D) unrealized gains or losses on the valuation of investments.

"NMTC Transaction" means one or more New Market Tax Credit transactions which the District has entered into related to the Project.

"*Notes*" means the District's Bond Anticipation Notes, Series 2026, in the principal amount not exceeding $79,100,000.

"Operating Lease Agreement" means the Operating Lease Agreement between the District and the QALICB, pursuant to which the District will make periodic and special rental payments to the QALICB as set forth therein.

"*Owners*" means the person or persons in whose names the Bonds, as appropriate, are registered.

"*Paying Agent*" for the Series 2026 Bonds means Commercial Capital Bank, of Delhi, Louisiana, and for the Series 2028 Bonds means Secretary of the Board, acting as paying agent and registrar.

"*Person*" means any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization, or government or any agency or political subdivision thereof.

"*Prime Rate*" means the rate of interest publicly announced by *The Wall Street Journal* (or, if not published therein, in a comparable successor publication) as the "prime rate" or "base rate" for large United States commercial banks. Any change in the Prime Rate shall be effective on the date such change is publicly announced.

"*Project*" means constructing improvements, expansions and renovations to the Hospital, including, but not limited to, equipment, fixtures, accessories and furnishings therefor.

"*Purchaser*" for the Series 2026 Bonds means Commercial Capital Bank, of Delhi, Louisiana, and for the Series 2028 Bonds means the Government.

"*Reserve Fund Requirement*" means a sum equal to the highest combined principal and interest falling due in any Fiscal Year on the Bonds and any Additional Parity Bonds.

"*Resolution*" means this resolution authorizing the issuance of the Bonds, as it may be supplemented and amended.

"*Series 2026 Bonds*" means not exceeding $9,000,000 of the District's Hospital Revenue Bonds, Series 2026.

"*Series 2028 Bonds*" means not exceeding $70,100,000 of the District's Hospital Revenue Bonds, Series 2028.

"*State*" means the State of Louisiana.

For all purposes of this Resolution, except as otherwise expressly provided or unless the context otherwise requires, (a) words importing persons include firms, associations and corporation, (b) words importing the singular include the plural and vice versa and (c) words of the masculine gender shall be deemed and considered to include correlative words of the feminine and neuter genders.

SECTION 2. Authorization; Designation of Bonds; Interest Rates and Payment of Principal and Interest. In compliance with the terms and provisions of the Act, there is hereby authorized the incurring of an indebtedness of Seventy-Nine Million One Hundred Thousand Dollars ($79,100,000) of Hospital Revenue Bonds for, on behalf of, and in the name of the District to finance a portion of the costs of the Project. The Bonds shall be issued in multiple series.

The Series 2026 Bonds shall be issued in the form of a single, fully registered Bond, numbered R-1, in the denomination and principal amount of $9,000,000, bear interest at a variable rate equal to the Prime Rate minus 1% at the date of closing, to be adjusted annually on each anniversary of the Date of Delivery of the Series 2026 Bonds to equal the Prime Rate minus 1% on said date, with a floor of 5.00% and a ceiling of 8.00%. The principal and interest of the Series 2026 Bonds shall be payable over a twenty (20) year period from their Date of Delivery and shall be payable in consecutive monthly, fully amortized payments of principal and interest, with each payment being applied, first, to the payment of accrued interest and, second, to the payment of principal.

The Series 2028 Bonds shall be issued in the form of a single, fully registered Bond, in the principal amount of $70,100,000, shall be numbered R-2, bear interest at the fixed rate of 4.50% per annum (or with the consent of the Government, such lower rate of interest which it may have in effect for community facilities loans at the time of delivery of the Series 2028 Bonds). The principal of and interest on the Series 2028 Bonds shall be payable over a thirty (30) year period and shall be payable in consecutive monthly, fully amortized payments of principal and interest, with the first monthly payment falling due one month from the Date of Delivery of the Series 2028 Bonds. Each payment shall be applied, first, to the payment of accrued interest and, second, to the payment of principal. The Executive Officers may approve a different series designation if the Series 2028 Bonds are delivered after the end of calendar year 2028, or if it is in their sole judgment to do so.

Installments of principal and interest on the Bonds, whether paid at maturity, by prepayment or otherwise, are payable in lawful money of the United States of America, by check or draft mailed or delivered to the Owner at the address appearing on the appropriate Bond Register to be maintained by the applicable registrar or at such other address as is furnished in writing by such Owner to such Paying Agent or by electronic debit acceptable to the Owner; provided, however, that payment of the final installment of principal and interest thereon shall be made only upon presentation and surrender of the Bonds to the Paying Agent.

No Bond shall be entitled to any right or benefit under this Resolution or be valid or obligatory for any purpose, unless there appears on such Bond a certificate of registration,

substantially in the form provided in this Resolution, executed by the appropriate registrar by manual or facsimile signature.

SECTION 3. Prepayment of Bonds. Installments of principal of the Bonds are subject to optional prepayment by the District at any time in whole or in part, and if in part, by designation of the District, at the principal amount of the installment to be prepaid, plus accrued interest from the most recent interest payment date to which interest has been paid or duly provided for, to the date fixed for prepayment. Each prepayment shall be noted on the Bond being prepaid and interest on the amount of principal so prepaid shall cease from the date of prepayment. Notwithstanding the foregoing, the Bonds are not subject to defeasance.

SECTION 4. Registration of Bonds. The Bonds shall be fully registered as to principal and interest by the Paying Agent, and no transfer or assignment shall be valid unless made on the appropriate Bond Register and similarly noted on the back of the Bonds. Upon such transfer or assignment, the transferor or assignor shall surrender the Bonds for transfer on said registration records and verifications of endorsements made on the Bonds. An investment letter signed by the purchaser thereof must be presented to the Paying Agent for a transfer of the Series 2026 Bonds to take place.

SECTION 5. Form of Bonds. The Series 2026 Bonds shall be in substantially in the form attached hereto as **Exhibit A**, and the Series 2028 Bonds shall be in substantially in the form attached hereto as **Exhibit B**.

SECTION 6. Security for the Bonds. The Bonds shall be secured by and payable solely from the Net Revenues, by a mortgage or mortgages on the immovable property constituting the Hospital and a security interest in any movable (personal) property owned or acquired by the District. Said income, revenues and receipts are hereby irrevocably and irrepealably pledged in an amount sufficient for the payment of the Bonds in principal and interest as they shall respectively become due and payable, and the income, revenues and receipts thus pledged and the Hospital thus mortgaged and the security interest thus granted shall remain so pledged, mortgaged and granted for the security of the Bonds in principal and interest until they shall have been fully paid and discharged.

The Executive Officers shall execute all documents necessary to provide the Purchasers with such pledges, mortgage(s) and security interest(s) (security agreements) and intercreditor parity agreements on the day of delivery of the Bonds, as the same may be required.

SECTION 7. Reserved.

SECTION 8. Funds and Accounts. The District covenants that:

(a) All of the income, revenues and receipts derived or to be derived by the District from the operation of the Hospital shall be deposited as the same may be collected in a separate and special bank account with the regularly designated fiscal agent bank of the District, said fund known and designated as the "*Hospital Revenue Fund*" (the "***Operating Fund***"), said Operating

Fund to be maintained, administered, and paid in the following order of priority and for the following express purposes:

(i) The payment of all reasonable and necessary expenses of operating and maintaining the Hospital.

(ii) The establishment and maintenance of the "*Hospital Revenue Bond Sinking Fund*" (the "***Sinking Fund***"), sufficient in amount to pay promptly and fully the principal of and the interest on the Bonds by transferring from the Operating Fund, after making the payments required by (a) above, to the Sinking Fund monthly in advance on or before the 20th day of each month of each year a sum equal to the total amount of principal and interest accruing or falling, as appropriate, due on the next payment date for the Bonds, together with such additional proportionate sum as may be required to pay such principal and interest as the same respectively become due; provided, however, to the extent that proceeds of the Bonds are expended for the payment of capitalized interest during the construction of the Project, then such transfers from the Operating Fund to the Sinking Fund are to be correspondingly reduced.

If Additional Parity Bonds are hereinafter issued by the District in the manner provided in this Resolution, moneys in the Sinking Fund shall be equally available to pay principal and interest on such Additional Parity Bonds, and payments into the Sinking Fund shall be increased as provided in the resolution authorizing the issuance of such Additional Parity Bonds. Said fiscal agent bank shall transfer from the Sinking Fund to any paying agent (if a paying agent other than said fiscal agent bank has been designated by the District with the approval of the Government) for all bonds payable from the Sinking Fund, at least five (5) days in advance of the date on which each payment of principal or interest falls due, funds fully sufficient to pay promptly the principal and/or interest so falling due on such date, except, if payment is made by electronic debit, then such payment shall be made no later than 11:00 a.m. on the day such payment is due.

(iii) The establishment and maintenance of the "*Hospital Revenue Bond Reserve Fund*" (the "***Reserve Fund***"), by transferring from the Operating Fund or other moneys available to the District on the Date of Delivery of the Series 2028 Bonds a sum equal to the Reserve Fund Requirement, the moneys in the Reserve Fund to be retained solely for the purpose of paying the principal and interest on bonds payable from the Sinking Fund to which there would otherwise be a default. Moneys in the Reserve Fund shall not be withdrawn without the written approval of the Government.

In the event that Additional Parity Bonds are issued hereafter in the manner provided by this Resolution or the moneys in the Reserve Fund have been drawn upon, the payments into the Reserve Fund shall be made at the rate of five percent (5%) of the amount to be paid into the Sinking Fund, or if said payments have ceased because of the accumulation of the maximum amount provided above, then such payments shall be resumed, until such time as there has been accumulated in the Reserve Fund an amount equal to the Reserve Fund Requirement, provided that the Reserve Fund Requirement may be funded with proceeds of Additional Parity Bonds or other moneys of the District..

(iv) The establishment and maintenance of the "*Hospital Depreciation and Contingency Fund*" (the "***Contingency Fund***"), to care for depreciation, extensions, additions, improvements, replacements and maintenance of capital assets necessary to operate properly the Hospital, by transferring from the Operating Fund, after making the payments required by (a), (b) and (c) above, to the Contingency Fund, annually, commencing the first full year after completion of the Project, a sum equal to four hundred thousand dollars ($400,000), or such other amounts as may be required by the Government and agreed to by the Executive Officers. Moneys in the Contingency Fund shall also be used to pay the principal of and the interest on any Bonds and/or any Additional Parity Bonds, for the payment of which there is not sufficient money in the Sinking Fund or the Reserve Fund. such money shall be replaced by the District as soon as possible thereafter out of the Operating Fund after making the required payments into the respective funds and accounts hereinabove set out.

(b) There is further hereby established the "*Hospital Resources and Security Fund*" (the "***Security Fund***"), a separate and identifiable fund to be maintained with the regularly designated fiscal agent bank of the District, which shall be funded by the District by transferring from the Operating Fund or other funds of the District on the Date of Delivery of the Series 2028 Bonds the sum of $12,500,000. The moneys in the Security Fund shall be retained as additional security for the Bonds, which moneys will decrease by one-third (1/3) of the original balance on each anniversary of the Date of Delivery of the Series 2028 Bonds, with the remainder withdrawn on the third anniversary of the Date of Delivery of the Series 2028 Bonds.

(c) All or any part of the moneys in any of the aforesaid funds and accounts shall, at the written request of the District, be invested in direct obligations of the United States of America or other obligations permitted by Louisiana law, maturing in five (5) years or less, in which event all income derived from investments in the said funds and accounts shall be deposited in the Operating Fund as income and revenues of the Hospital. If moneys on deposit in the funds or accounts are pooled for investment purposes, the source of such moneys shall be noted on or in connection with such investments so that each fund will realize its pro-rata share of any loss or gain that results from such investments. Such investments shall not be commingled with investments purchased with moneys from any other funds of the District. Such investments shall, to the extent at any time necessary, be liquidated and the proceeds thereof applied to the purposes for which said respective funds and accounts are herein maintained.

SECTION 9. **Rate Covenant, Fees, Rates and Charges**. (a) The District, through its Board, covenants to fix, establish, maintain and collect such fees, rentals, rates or other charges for all services and facilities to be rendered by the Hospital, and all parts thereof, and to revise the same from time to time whenever necessary, as will always provide revenues in each Fiscal Year sufficient to pay all reasonable and necessary expenses of operating and maintaining the Hospital in each Fiscal Year, the principal and interest maturing on the Bonds in each Fiscal Year, all reserves or sinking funds or other payments required for such year by this Resolution, and all other obligations or indebtedness payable out of the revenues of the Hospital for such Fiscal Year, and which will provide Net Revenues (together with other available monies of the District) in each Fiscal Year, sufficient to meet the Debt Service Coverage Ratio of at least *1.25*, such test to be conducted annually based on the District's audit for the prior Fiscal Year.

(b) Fees, rentals, rates and other charges for the services and facilities to be rendered by the Hospital may be altered, amended or repealed from time to time, said alterations, amendments or repeals to be conditioned upon the preservation of the rights of the Owners with respect to the income and revenues of the Hospital, not alone for the payment of the principal of and the interest on the Bonds, but to ensure that the income and revenues of the Hospital shall be sufficient at all times to fulfill the other provisions specified in Section 8 hereof. To the extent practicable and permitted by law, the District shall cause to be fixed and maintained fees, rates and collect charges for all services and facilities to be rendered by the Hospital, irrespective of the user thereof, and no free services or facilities shall be furnished to any patient or user of the Hospital, and no discrimination shall be made as to fees, rates and charges for the services and facilities of the Hospital as between patients and users of the Hospital, except that a reasonable amount of charity service may be permitted, but no such free service shall jeopardize the District's ability to pay the Bonds.

(c) If the fees, rentals, rates and other charges imposed and collected by the District shall be less than the amount required under this Section in any Fiscal Year, the District at its expense, shall immediately employ a Management Consultant to submit a written report and recommendations with respect to such fees, rentals, rates and other charges and with respect to improvements or changes in the operations of or the services rendered by the District. The District shall require any Management Consultant employed hereunder to file its report and recommendations within 180 days from the end of any such Fiscal Year with the Paying Agent and the Owners.

(d) Any Management Consultant retained by the District pursuant to this Section may recommend with respect to the fees, rentals, rates or other charges imposed and collected by the District and with respect to improvements or changes in the operations of or the services rendered by the District that the District either (A) makes no change or (B) makes some change, even though such recommendation is not calculated to result in compliance with the requirements of paragraph (a) of this Section, if the Management Consultant includes in its report and recommendations a statement to the effect that compliance with such recommendations should result in compliance with such requirements to the maximum extent feasible.

(e) To the extent permitted by applicable law, the District agrees to revise its fees, rentals, rates and charges in conformity with any commendation of the Management Consultant retained pursuant to this Section and to otherwise follow the recommendations of such Management Consultant. If approvals of any regulatory or supervisory authority are required in order to fix, charge, collect and otherwise implement any fees, rentals, rates and charges required by the operation of this Section, the District shall take all action within its power to obtain such approvals in an expeditious manner.

(f) Notwithstanding the foregoing, if the District shall review such fees, rentals, rates and other charges in conformity with the recommendations of the Management Consultant and otherwise follow the recommendations of the Management Consultant, then the failure to meet the requirements of this Section for such Fiscal Year shall not constitute an event of default (as set forth in Section 15 hereof) as long as the Debt Service Coverage is not below *1.25*.

SECTION 10. Rights of Owners. The Owners shall be entitled to exercise all rights for which provision is made in the laws of the State. Any Owner or any trustee acting for such Owner in the manner hereinafter provided, may, either at law or in equity, by suit, action, mandamus or other proceeding in any court of competent jurisdiction, protect and enforce any and all rights under the laws of the State, or granted in this Resolution, and may compel the performance of all duties required by this Resolution or by any applicable statutes to be performed by the District or by any agency, board or officer thereof, including the fixing, charging and collecting of rates, fees or other charges for use of the Hospital, and in general to take any action necessary to protect the rights of the Owners.

In the event that an Event of Default shall occur in the payment of the interest on or principal of any of the Bonds issued pursuant to this Resolution as the same shall become due, or in the making of the payments into any fund established by Section 8 of this Resolution or in the event that the District or any agency, board, officer, agent or employee thereof shall fail or refuse to comply with the provisions of this Resolution, or shall default in any covenant for a period of thirty (30) days after written notice thereof, as more fully described in Section 15 hereof, any Owner or any trustee appointed to represent Owners as hereinafter provided, shall be entitled as of right to the appointment of a receiver of the Hospital in an appropriate judicial proceeding in a court of competent jurisdiction.

The receiver so appointed shall forthwith enter into and take possession of the Hospital and shall hold, operate and maintain, manage and control the Hospital, and in the name of the District shall exercise all rights and powers of the District with respect to the Hospital. Such receiver shall collect and receive all income, revenues and receipts, maintain and operate the Hospital in the manner provided in this Resolution, and comply under the jurisdiction of the court appointing such receiver with all of the provisions of this Resolution.

Whenever all that is due upon the Bonds and interest thereon, and under any covenants of this Resolution for reserve, sinking or other funds, and upon any other obligations and interest thereon, having a charge, lien or encumbrance upon the fees, rentals or other revenues of the Hospital, shall have been paid and made good, and all defaults under the provisions of this Resolution shall have been cured and made good, possession of the Hospital shall be surrendered to the District upon the entry of an order of the court to that effect. Upon any subsequent default, any Owner, or any trustee appointed for Owners as hereinafter provided, shall have the same right to secure the further appointment of a receiver upon any such subsequent default. Such receiver shall in the performance of the powers hereinabove conferred upon him be under the direction and supervision of the court making such appointment, shall at all times be subject to the orders of such court and may be removed thereby and a successor appointed in the discretion of such court. Nothing herein contained shall limit the jurisdiction of such court to enter such other and further orders as such court may deem necessary for the exercise by the receiver of any function not specifically set forth herein.

Any receiver appointed as provided herein shall hold and operate the Hospital in the name of the District and for the joint protection and benefit of the District and the Owners. Such receiver shall have no power to sell, assign, mortgage or otherwise dispose of any assets belonging or pertaining to the Hospital but the authority of such receiver shall be limited to the possession,

operation and maintenance of the Hospital for the sole purpose of the protection of both the District and Owners, and the curing and making good of any default under the provisions of this Resolution, and **the title to the Hospital shall remain in the District**, and no court shall have any jurisdiction to enter any order permitting or requiring such receiver to sell, mortgage or otherwise dispose of any assets of the Hospital except with the consent of the District and in such manner as the court shall direct.

The Owners in an aggregate principal amount of not less than twenty-five percent (25%) of the principal amount of the Bonds then outstanding may by duly executed certificate in writing appoint a trustee for the Owners with authority to represent such Owners in any legal proceedings for the enforcement of the rights of such Owners. Such certificate shall be executed by such Owners, or by their duly authorized attorneys or representative, and shall be filed in the office of the Secretary of this Board.

Until an event of default shall have occurred, the District shall retain full possession and control of the Hospital with full right to manage, operate and use the same and every part thereof with the rights appertaining thereto, and to collect and receive and, subject to the provisions of this Resolution, to take, use and enjoy and distribute the earnings, income, rent, issue and profits accruing on or derivable from the Hospital.

SECTION 11. Particular Covenants. The District does hereby covenant and warrant so long as any of the Bonds are outstanding and unpaid in principal and/or interest, that:

(a) It is or will be lawfully seized and possessed of the Hospital, that it has a legal right to pledge the income, revenues and receipts of the Hospital as herein provided, and that the Bonds will have a lien and privilege on the Net Revenues as set forth herein.

(b) It will at all times maintain the Hospital in first class repair and working order and condition.

(c) The District, through its Board, shall maintain, or cause to be maintained at its sole cost and expense, insurance with respect to the Hospital, the operation thereof and its business against such casualties, contingencies and risks (including but not limited to public liability and employee dishonesty) and in amounts not less than is customary in the case of entities engaged in the same or similar activities and similarly situated and as is adequate to protect the Hospital and its operations and with commercially reasonable deductibles; provided that the District may elect to self-insure in accordance with State law.

All moneys received for losses under any fire and extended coverage insurance are hereby pledged by the District as security for the Bonds, until and unless such proceeds are paid out in making good the loss or damage in respect of which such proceeds are received, either by repairing the property damaged or replacing the property destroyed, and adequate provision for making good such loss and damage shall be made within ninety (90) days from the date of the loss. The Owners shall be designated as loss payees as their interests may appear on the fire and extended coverage insurance policies for the physical properties of the Hospital and copies of said policies and binders shall be provided to such Owners upon written request. Such insurance proceeds, to the extent not

so used, shall be used for the retirement of as many of the Bonds as can be retired therewith through redemption in the manner provided in this Resolution, or through purchase at prices not greater than the redemption prices provided herein.

(d) It will cause to be maintained separate records and accounts and make full and correct entries of all transactions relating to the Hospital. All books and accounts pertaining to the Hospital shall be audited annually no later than six (6) months after the close of each Fiscal Year, or such later date as may be permitted by the Louisiana Legislative Auditor, by a recognized independent firm of certified or registered public accountants, which audit shall reflect all receipts and disbursements made for the account of the Hospital. Such audit shall be furnished upon request to any Owner, the registered owner of the Series 2026 Bonds and to the Government. All expenses incurred in the making of the audits required by this paragraph shall be regarded and paid as an operating expense.

(e) It will not sell, lease or in any manner dispose of the Hospital or any substantial part thereof, provided property which in the District's sole judgment is worn-out, unserviceable, unsuitable, or unnecessary in the operation of the Hospital, when other property of equal value is substituted therefor, or the proceeds derived from the disposal of such property are used for constructing and acquiring extensions and improvements to the Hospital or repairing the Hospital, provided, however, the District is authorized to enter into the Master Lease Agreement, the Operating Lease Agreement, and the Equipment Lease Agreement (collectively, the "***Leases***") with respect to the NMTC Transaction.

(f) Except as provided in Section 13 hereof and with regard to the NMTC Transaction, the District will not voluntarily create or cause to be created any debt, lien, pledge, mortgage, assignment, encumbrance, or any other charges having priority over or parity with the lien of the Notes and upon the income, revenues and receipts of the Hospital pledged as security therefor, nor shall District suffer or permit an involuntary lien or encumbrance to be created having priority over or parity with the lien of the Notes on the collateral pledged or mortgaged as security therefor, but shall promptly discharge the debt or obligation secured by such lien or encumbrance, unless the same is being challenged in good faith in a court of competent jurisdiction, nor shall the District voluntarily create or cause to be created any debt, lien, pledge, mortgage, assignment, encumbrance, or any other charges subordinate and junior to the lien of the Notes on the collateral pledged or mortgaged as security therefor, excepting such liens or encumbrances which may arise in the ordinary course of business and are seasonally discharged.

(g) To the extent permitted by law and except for the FQHC currently in existence, it will not grant a franchise to any entity for operation within the boundaries of the District which would render services or facilities in competition with the Hospital, and will oppose the granting of such franchise by any other public body having jurisdiction over such matters.

(h) It shall require all officers and employees in a position of authority or in possession of money derived from the lease or operation of the Hospital to be covered by a blanket fidelity or faithful performance bond, or independent fidelity bonds, written by a responsible indemnity company in amounts adequate to protect the District from loss.

SECTION 12. Income; Revenues and Receipts. All of the income, revenues and receipts earned from the operation of the Hospital shall be deposited promptly as provided in Section 8 hereof in the Operating Fund, which shall be maintained with a regularly designated fiscal agent bank of the District as provided herein, separate and apart from all other funds of the District. All of the funds herein created and provided for shall be and constitute trust funds for the purposes provided in this Resolution, and the Owners are hereby granted a lien on all such funds and accounts until applied in the manner provided in this Resolution. The moneys in all of such funds shall at all times be secured to the full extent thereof by the bank or trust company holding such funds in accordance with State law.

SECTION 13. Additional Parity Bonds. Other than the Notes, which are expressly authorized to be issued on a parity as to the Net Revenues with the Series 2026 Bonds, the District shall issue no other revenue bonds or any other debt obligations of any kind or nature payable from or enjoying a lien on the annual income, revenues and receipts derived or to be derived from the operation of the Hospital having priority over or parity with the Bonds except that additional debt obligations may hereafter be issued on a parity with the Bonds under the following conditions and with prior written approval of the Government:

(a) The Bonds or any part thereof may be refunded, and the refunding bonds so issued shall enjoy complete equality of lien with the portion of the Bonds which is not refunded, if there be any, and the refunding bonds shall continue to enjoy whatever priority of lien over subsequent issues may have been enjoyed by the Bonds refunded; provided, however, that if only a portion of the Bonds outstanding is so refunded and the refunding bonds require total principal and interest payments during any Fiscal Year in excess of the principal and interest which would have been required in such Fiscal Year to pay the Bonds prepaid thereby, then such Bonds may not be refunded without the consent of the Owner of the unrefunded portion of the Bonds (provided such consent shall not be required if such refunding bonds meet the requirements set forth in clause (b) of this Section).

(b) Additional Parity Bonds may also be issued on a parity with the Bonds, if all of the following conditions are met:

(i) The Net Revenues for the Fiscal Year immediately preceding the year in which such Additional Parity Bonds are to be issued, are equal to at least *120%* of the average annual debt service requirements on all bonds then outstanding, including any Additional Parity Bonds and any other bonds or obligations whatsoever then outstanding which are payable from the income and revenues of the Hospital (but not including bonds which have been refunded or provision otherwise made for their full and complete payment and redemption), and the Additional Parity Bonds so proposed to be issued; provided, however, that this limitation may be waived or modified by the written consent of the Owners then outstanding.

(ii) There must be no delinquencies in the payments required to be made into the various funds provided in Section 8 hereof.

(iii) The existence of the facts required by paragraphs (i) and (ii) above must be determined and certified to by the Chief Financial Officer of the District, the Secretary of the Board or an independent firm of certified or registered public accountants who have previously audited the books of the District, or by such successors thereof as may have been employed for that purpose.

(iv) The proceeds of the Additional Parity Bonds must be used solely for the making of improvements, extensions, renewals, replacements or repairs, including equipment and furnishings, to the Hospital or refunding prior bonds issued for such purposes.

No approval of the Owners will be required for the District's issuance of any indebtedness having a lien on the Net Revenues subordinate to that of the Owners.

SECTION 14. Execution of Bonds; Use of Proceeds. The Executive Officers are hereby empowered, authorized and directed to do any and all things necessary and incidental to carry out the provisions of this Resolution, to cause the necessary Bonds to be printed, lithographed, or otherwise prepared, to issue, execute, sign and seal the Bonds in accordance with the sale thereof, and to collect the purchase price therefor. All of the proceeds derived from the sale of the Bonds shall be deposited in a special Construction Account (the "***Construction Account***") and used solely for the purpose of (i) paying the costs of the Project, including appurtenant equipment, accessories and properties therefore, (ii) in the case of the Series 2028 Bonds, redeeming the Notes, and (iii) to pay the cost of the necessary legal, architectural, engineering and other incidental costs and fees in connection therewith and in connection with the authorization and issuance of the Bonds and the Notes in principal and interest. The Executive Officers are further authorized to execute such other documents as may be required to establish the Construction Account and are authorized to make appropriate provisions for the payment of interest estimated to accrue on the Bonds during the period of construction of the Project by providing for the deposit of moneys from the Construction Account to the Sinking Fund, if necessary. Proceeds of the Bonds and Notes may also be used to reimburse the District for any expenditures for the Project made after sixty (60) days before the original intent designation, including any debt instruments issued to provide funds for such Project costs.

SECTION 15. Events of Default. Each of the following events shall be an "***Event of Default***":

(a) if default shall be made in the due and punctual payment of the principal of any Bond when and as the same shall become due and payable, whether at maturity or otherwise; or

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

(c) if default shall be made by the District in the performance or observance of any other of the covenants, agreements or conditions on its part in the Resolution, any supplemental resolution or in the Bonds contained and such default shall continue for a period of thirty (30) days after written notice thereof to the District by the Owners of not less than 10% of the Bonds provided; or

(d) if the District shall file a petition or otherwise seek relief under any Federal or State bankruptcy law or similar law.

Upon the happening and continuance of any Event of Default, the Owners shall be entitled to exercise all rights and powers for which provision is made under State law; provided, however, should the District fail to meet the Debt Service Coverage Ratio of *1.25* set forth in Section 9(a) hereof, the District shall:

(i) immediately notify the Owners and the Paying Agents of such failure;

(ii) employ a Management Consultant within forty-five (45) days of the occurrence of such failure with said Management Consultant to take such action as required in Section 8(b) and (c) of this Resolution;

(iii) make quarterly reports to the Owners and the Paying Agent of the progress made towards compliance with the Debt Service Coverage Ratio requirement or have the Management Consultant make such reports on its behalf; and

(iv) comply with the said Debt Service Coverage Ratio requirement within two (2) years of the failure to do so.

SECTION 16. Legal Obligations. The Bonds shall constitute legal, binding and valid obligations of the District and shall be the only representation of the indebtedness herein authorized and created.

SECTION 17. Confirmation of Sale of Bonds. (a) The sale of the Series 2026 Bonds to Commercial Capital Bank, of Delhi, Louisiana, pursuant to documentation and provisions previously provided to the Government and the District is hereby ratified and approved.

(b) The sale of the Series 2028 Bonds to the Government is hereby ratified and approved. Exercising the power granted to the District under the provisions of the Act, the Series 2028 Bonds shall be initially physically delivered to the Government; provided, however, that upon delivery thereof the Government may elect to pay for the entire principal amount of the Series 2028 Bonds in full at the time of delivery or elect to make advances against the full purchase price, in which event appropriate recordation shall be made on the Series 2028 Bonds with respect to the advance payments made. Interest on the Bonds will be paid only with respect to the amount of money actually advanced by the Government until such time as the full purchase price of the Series 2028 Bonds shall have been paid, after which interest will be paid on the full amount of the unpaid principal of the Bonds then outstanding. Upon final payment of the full purchase price of the Series 2028 Bonds, the District shall furnish to the Government its final Treasurer's Receipt and Non-Litigation Certificate, together with the final approving opinion of Bond Counsel for the District. As payments or advances are made by the Government, the District shall execute and provide an appropriate non-litigation certificate to the Government certifying that up to the time of making such payment or advance, no litigation has been filed questioning the validity of the Bonds or the revenues necessary to pay the same.

SECTION 18. Authorization of Bond Anticipation Notes. It is hereby acknowledged and recognized that the obtaining of construction financing ("***Construction Financing***") for the costs of the Project is a prerequisite to obtaining permanent financing for the costs of the Project through the delivery of the Bonds. Construction Financing is hereby authorized through the issuance, sale and delivery of the Notes, all in accordance with the provisions of the Act.

The Notes shall constitute a limited and special obligation of the District, the principal of which is payable from the proceeds to be derived from the sale and issuance of the Bonds or other obligations to provide permanent financing for the Project and the Net Revenues. The Notes will not constitute a general obligation of the District and neither the full faith and credit nor the taxing power of the District is pledged to the payment of the Notes. The issuance of the Notes shall not directly or indirectly or contingently obligate the District to levy or pledge any ad valorem taxes whatsoever therefore, and the Owners of the Notes shall have no recourse to the power of ad valorem taxation for payment or principal of and/or interest on the Notes.

The District covenants to use its best efforts to issue the Bonds or other obligations in a principal amount sufficient, together with other available funds therefore, to pay the principal of and interest on the Notes at maturity. The District further covenants to budget a sufficient sum of money to pay the interest when due on the Notes.

SECTION 19. Cancellation of Bonds. All Bonds surrendered for payment, transfer, exchange or replacement, if surrendered to the Paying Agent, shall be promptly canceled by it and, if surrendered to the Issuer, shall be delivered to the Paying Agent and, if not already canceled, shall be promptly canceled by the Paying Agent. The District may at any time deliver to the Paying Agent for cancellation any Bond previously registered and delivered which the District may have acquired in any manner whatsoever, and all Bonds so delivered shall be promptly canceled by the Paying Agent. All canceled Bonds held by the Paying Agent shall be disposed of as directed in writing by the District.

SECTION 20. Severability. In case any one or more of the provisions of this Resolution or of the Bonds shall for any reason be held to be illegal or invalid, such illegality and invalidity shall not affect any other provisions of this Resolution or of the Bonds, but this Resolution, the Bonds shall be construed and enforced as if such illegal or invalid provisions had not been contained therein. Any constitutional or statutory provision hereafter enacted which validates or makes legal any provision of this Resolution or the Bonds which would not otherwise be valid or legal, shall be deemed to apply to this Resolution and to the Bonds.

SECTION 21. Resolution a Contract. The provisions of this Resolution shall constitute a contract between the District, or its successor, and the Owners from time to time of the Bonds (and during the period the Notes are outstanding, the registered owners of the Notes) and the provisions of such contract shall be enforceable by appropriate proceedings to be taken by such owners, either at law or in equity.

No material modification or amendment of this Resolution, or of any resolution amendatory hereof or supplemental hereto, may be made without the consent in writing of the Owners (and during the period the Notes is outstanding, the registered owners of the Notes).

SECTION 22. Regularity of Proceedings. This Board, having investigated the regularity of the proceedings had in connection with the Bonds, and having determined the same to be regular, the Bonds shall contain the following recital, to-wit:

> "*It is certified that this indebtedness is authorized by and is issued in conformity with the requirements of the Constitution and statutes of Louisiana*."

SECTION 23. Publication; Preemption. A copy of this Resolution shall be published immediately after its adoption in an issue of the official journal of the District. For a period of thirty (30) days from the date of such publication any person in interest shall have the right to contest the legality of this Resolution or of the Bonds and the provisions securing the Bonds. After the expiration of said thirty (30) days, no one shall have any right of action to contest the validity of the Bonds, or the provisions of this Resolution, the Bonds shall be conclusively presumed to be legal, and no court shall thereafter have authority to inquire into such matters.

SECTION 24. No Recourse on the Bonds. No recourse shall be had for the payment of the principal of or interest on the Bonds or for any claim based thereon or on this Resolution against any member of this Board or officer of the District or any person executing the Bonds in their personal capacities.

SECTION 25. Successors and Assigns. Whenever in this Resolution the District is named or referred to, it shall be deemed to include its successors and assigns and all the covenants and agreements in this Resolution contained by or on behalf of the District shall bind and enure to the benefit of its successors and assigns whether so expressed or not.

SECTION 26. Disclosure. The District will not be required to comply with the continuing disclosure requirements described in Rule 15c2-12 of the Securities and Exchange Commission [17 CFR §240.15c2-12] with respect to the Bonds.

SECTION 27. Effective Date. This Resolution shall take effect immediately upon its adoption.

[*Remainder of page intentionally left blank*]

This resolution having been submitted to a vote, the vote thereon was as follows:

YEAS: 5

NAYS: 0

ABSENT: 0

ABSTAINING: 0

And the resolution was declared adopted on this, the 3rd day of February, 2026.

/s/ Mildred Greer	/s/ Paul Lipe
Secretary	Chairman

EXHIBIT A

HOSPITAL REVENUE BOND, SERIES 2026
OF
HOSPITAL SERVICE DISTRICT NO. 1A
OF THE PARISH OF RICHLAND, STATE OF LOUISIANA

BOND NUMBER	BOND DATE	INTEREST RATE	PRINCIPAL AMOUNT
R-1	August ___, 2026	VR%	$9,000,000

HOSPITAL SERVICE DISTRICT NO. 1A OF THE PARISH OF RICHLAND, STATE OF LOUISIANA (the "***District***"), for value received, hereby promises to pay, but solely from the source and as hereinafter provided, to the registered owner, or its successor, or its registered assigns, the sum of Ninety Million Dollars ($9,000,000). The principal and interest of the Bond (as defined hereinafter) shall be payable over a twenty (20) year period from their Date of Delivery and shall be payable in consecutive monthly, fully amortized payments of principal and interest, unless the principal hereof is prepaid in whole or in part in accordance with the terms set forth herein and in the hereafter defined Bond Resolution. Each payment shall be applied, first, to the payment of accrued interest and, second, to the payment of principal.

Interest on this Bond will bear interest at a variable rate equal to the Prime Rate minus 1% at the date of closing, to be adjusted annually on each anniversary of the Date of Delivery of the Series 2026 Bonds to equal the Prime Rate minus 1% on said date, with a floor of 5.00% and a ceiling of 8.00%.

Installments of principal and interest on this Bond, whether paid at maturity, by prepayment or otherwise, are payable in lawful money of the United States of America, by check or draft mailed or delivered to the registered owner hereof at the address as it appears on the registration books of the Paying Agent or at such other address as is furnished in writing by such registered owner; provided, however, that payment of the final installment of principal and interest hereon shall be made only upon presentation and surrender of this Bond to the Registrar. The term "*Registrar*" when used herein shall mean the Secretary of the governing authority of the District or any successor thereto.

This Bond is one of an authorized issue aggregating in principal the sum of Ninety Million Dollars ($9,000,000) of Hospital Revenue Bonds, Series 2026, of the District (the "***Bonds***"), all of like tenor and effect except as to number, denomination, amortized payments and paying agent, the Bonds having been issued under the authority conferred by La. R.S. 39:524 and Sub-Part A, Part II, Chapter 4 of Subtitle II of Title 39 of the Louisiana Revised Statutes of 1950, as amended, and other constitutional and statutory authority, pursuant to all requirements specified therein, and were specially authorized pursuant to a resolution adopted by the governing authority of the District on February 3, 2026, as amended on July 16, 2026 (the "***Bond Resolution***"), to construct the Project (as defined in the Bond Resolution) and pay costs of issuance of this Bond.

Installments of principal of this Bond are subject to optional prepayment by the District at any time in whole or in part, and if in part, by designation of the District, at the principal amount of the installment to be prepaid, plus accrued interest to the prepayment date. Prepayment of any installment of principal, or any portion thereof, shall be noted on the appropriate payment record made a part of this Bond.

The District shall be kept by the Secretary of its governing authority, as Registrar, a register (the "***Bond Register***") in which registration of this Bond and of assignments hereof shall be made as provided herein. This Bond may be assigned and upon such assignment the assignor shall promptly notify the District by registered mail, and the assignor shall surrender the same to the Registrar for transfer on the registration records and verification of the endorsements made hereon, and every such assignee shall take this Bond subject to such condition.

The Bonds are payable as to principal and interest solely from the revenues derived or to be derived from the operation of the Hospital (as defined in the Bond Resolution), after provision has been made for payment therefrom of the reasonable and necessary expenses of operating and maintaining the Hospital, and by a mortgage on the immovable property constituting the Hospital and a security interest chattel mortgage(s) on the movable (personal) property and equipment owned or acquired by the District in the Hospital, and neither this Bond nor the debt it represents constitute an indebtedness or pledge of the general credit of the District, within the meaning of any constitutional or statutory limitation of indebtedness.

The District has obligated itself, and by this Bond declares that all of the income, revenues and receipts derived or to be derived from the operation of the Hospital shall be deposited promptly as the same may be collected in a separate and special bank account known and designated as the "*Hospital Revenue Fund*". The District has duly covenanted and obligated itself and by this Bond declares that it will fix, establish and maintain and collect such fees, rates or other charges for all services and facilities to be rendered by the Hospital sufficient to provide in each year for the payment of the reasonable and necessary expenses of operating and maintaining the Hospital, to provide for the payment of this Bond and the Parity Bonds, together with interest thereon, to provide a reserve therefor, and all other obligations or indebtedness payable out of the revenues of the Hospital, and to provide a reasonable depreciation and contingency fund to care for depreciation, extensions, additions, improvements and replacements necessary to properly operate the Hospital. For a complete statement of the manner in which the Hospital Revenue Fund shall be maintained and administered, the provisions under which this Bond is payable and the general covenants and provisions pursuant to which this Bond is issued, including provisions for the issuance of *pari passu* obligations under certain terms and conditions, reference is hereby made to the Bond Resolution.

This Bond shall be issued on a parity any other bonds or notes issued prior or simultaneously to the delivery of the Bond payable out of the Hospital Revenue Fund; provided, however, that the District may provide in subsequent resolutions that the Bond is to be issued on a subordinate lien basis, subject to any terms or provisions with respect to such lien as may be necessary or appropriate.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any

security or benefit under the Bond Resolution until the certificate of registration hereon shall have been signed by the Registrar.

It is certified that this Bond is authorized by and is issued in conformity with the requirements of the Constitution and statutes of Louisiana.

It is further certified, recited and declared that all acts, conditions and things required to exist, to happen and to be performed precedent to and in the issuance of this Bond to constitute the same a legal, binding and valid obligation of the District have happened and have been performed in due time, form and manner as required by law, and that the indebtedness of the District, including this Bond and the issue of which it forms a part, does not exceed the limitations prescribed by the Constitution and statutes of the State of Louisiana.

This Bond does not constitute an indebtedness of the State of Louisiana.

IN WITNESS WHEREOF, the Board of Commissioners of Hospital Service District No. 1A of the Parish of Richland, State of Louisiana, acting as the governing authority of the District, has caused this Bond to be executed in the name of the District by the manual signatures of its Chairman and its Secretary, and the District's corporate seal to be impressed hereon.

RICHLAND PARISH HOSPITALSERVICE DISTRICT NO. 1,
STATE OF LOUISIANA

_____	_____
Secretary Board of Commissioners	Chairman Board of Commissioners

[SEAL]

* * * * * *

(CERTIFICATE OF REGISTRATION)

This Bond has been registered as to principal and interest in the name of the registered owner hereof on the books of _____, in _____, _____, as Paying Agent and Registrar, as follows:

Date of Registration	***Name of Registered Owner***	***Address of Registered Owner***	***Signature of Registrar***

* * * * * *

(FORM OF ASSIGNMENT)

FOR VALUE RECEIVED, the undersigned Assignor hereby sells, assigns and transfers the within bond and all rights thereunder unto the following Assignee:

Name:_____

Address:_____

_____

who by its execution below hereby certifies to the Paying Agent that (a) it is (i) an affiliate of the original owner of this Bond, (ii) a bank, or entity directly or indirectly controlled by a bank, or under common control with a bank, other *than a broker or municipal securities dealer, which certifies that it is a "qualified* institutional buyer" as defined in Rule 144A of the Securities Act of 1933, as amended, and (b) it consents to the terms of the Purchaser Letter executed by the original owner of this Bond as referenced in the Bond Resolution.

_____, Assignee _____, Assignor

By: _____ By: _____

Its: _____ Its: _____

Date:_____

* * * * * *

(**CERTIFICATE OF DELIVERY**)

I, the undersigned Secretary of Hospital Service District No. 1A of the Parish of Richland, State of Louisiana, do hereby certify that this Bond was delivered to the purchaser therefor and payment duly received therefor on the date and in the amount hereinafter shown:

Date	***Amount of Principal Payment***	***Signature of Secretary of governing authority of the District***

* * * * * *

PAYMENT RECORD

HOSPITAL REVENUE BOND, SERIES 2026
RICHLAND PARISH HOSPITALSERVICE DISTRICT NO. 1,
STATE OF LOUISIANA

DATED _____, 2026

Due Date	Principal Payment	Principal Balance Due	Interest Payment (___%)	Date Paid	Signature of Authorized Official and Title

* * * * * *

(**FORM OF PREPAYMENT RECORD TO BE ATTACHED TO BOND**)

HOSPITAL REVENUE BOND, SERIES 2026
RICHLAND PARISH HOSPITALSERVICE DISTRICT NO. 1,
STATE OF LOUISIANA

DATED _____, 2026

Principal Payment Date	Amount Due	Amount Paid	Date Paid	Signature of Authorized Official and Title
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

* * * * * *

EXHIBIT B

UNITED STATES OF AMERICA
STATE OF LOUISIANA
PARISH OF RICHLAND

HOSPITAL REVENUE BOND, SERIES 2028
RICHLAND PARISH HOSPITALSERVICE DISTRICT NO. 1,
STATE OF LOUISIANA

BOND NUMBER	BOND DATE	INTEREST RATE	PRINCIPAL AMOUNT
R-2	_____, 2028	4.50%	$53,600,00

HOSPITAL SERVICE DISTRICT NO. 1A OF THE PARISH OF RICHLAND, STATE OF LOUISIANA (the "***District***"), for value received, hereby promises to pay, but solely from the source and as hereinafter provided, to the registered owner, or its successor, or its registered assigns, the sum of Fifty Three Million Six Hundred Thousand Dollars ($53,600,00). The principal and interest of the Bond (as defined hereinafter) shall be payable over a thirty (30) year period from their Date of Delivery and shall be payable in consecutive monthly, fully amortized payments of principal and interest, unless the principal hereof is prepaid in whole or in part in accordance with the terms set forth herein and in the hereafter defined Bond Resolution. Each payment shall be applied, first, to the payment of accrued interest and, second, to the payment of principal.

Installments of principal and interest on this Bond, whether paid at maturity, by prepayment or otherwise, are payable in lawful money of the United States of America, by check or draft mailed or delivered to the registered owner hereof at the address as it appears on the registration books of the Paying Agent or at such other address as is furnished in writing by such registered owner; provided, however, that payment of the final installment of principal and interest hereon shall be made only upon presentation and surrender of this Bond to the Registrar. The term "*Registrar*" when used herein shall mean the Secretary of the governing authority of the District or any successor thereto.

This Bond is one of an authorized issue aggregating in principal the sum of Fifty Three Million Six Hundred Thousand Dollars ($53,600,00) of Hospital Revenue Bonds, Series 2028, of the District (the "***Bonds***"), all of like tenor and effect except as to number, denomination, amortized payments and paying agent, the Bonds having been issued under the authority conferred by La. R.S. 39:524 and Sub-Part A, Part II, Chapter 4 of Subtitle II of Title 39 of the Louisiana Revised Statutes of 1950, as amended, and other constitutional and statutory authority, pursuant to all requirements specified therein, and were specially authorized pursuant to a resolution adopted by the governing authority of the District on February 3, 2026, as amended on July 16, 2026 (the "***Bond Resolution***"), to construct the Project (as defined in the Bond Resolution) and pay costs of issuance of this Bond, and to pay the District's Bond Anticipation Notes, Series 2026 issued to provide construction financing for the Project in anticipation of the delivery of the Bonds.

Installments of principal of this Bond are subject to optional prepayment by the District at any time in whole or in part, and if in part, by designation of the District, at the principal amount of the installment to be prepaid, plus accrued interest to the prepayment date. Prepayment of any installment of principal, or any portion thereof, shall be noted on the appropriate payment record made a part of this Bond.

The District shall be kept by the Secretary of its governing authority, as Registrar, a register (the "***Bond Register***") in which registration of this Bond and of assignments hereof shall be made as provided herein. This Bond may be assigned and upon such assignment the assignor shall promptly notify the District by registered mail, and the assignor shall surrender the same to the Registrar for transfer on the registration records and verification of the endorsements made hereon, and every such assignee shall take this Bond subject to such condition.

The Bonds are payable as to principal and interest solely from the revenues derived or to be derived from the operation of the Hospital (as defined in the Bond Resolution), after provision has been made for payment therefrom of the reasonable and necessary expenses of operating and maintaining the Hospital, and by a mortgage on the immovable property constituting the Hospital and a security interest chattel mortgage(s) on the movable (personal) property and equipment owned or acquired by the District in the Hospital, and neither this Bond nor the debt it represents constitute an indebtedness or pledge of the general credit of the District, within the meaning of any constitutional or statutory limitation of indebtedness.

The District has obligated itself, and by this Bond declares that all of the income, revenues and receipts derived or to be derived from the operation of the Hospital shall be deposited promptly as the same may be collected in a separate and special bank account known and designated as the "*Hospital Revenue Fund*". The District has duly covenanted and obligated itself and by this Bond declares that it will fix, establish and maintain and collect such fees, rates or other charges for all services and facilities to be rendered by the Hospital sufficient to provide in each year for the payment of the reasonable and necessary expenses of operating and maintaining the Hospital, to provide for the payment of this Bond and the Parity Bonds, together with interest thereon, to provide a reserve therefor, and all other obligations or indebtedness payable out of the revenues of the Hospital, and to provide a reasonable depreciation and contingency fund to care for depreciation, extensions, additions, improvements and replacements necessary to properly operate the Hospital. For a complete statement of the manner in which the Hospital Revenue Fund shall be maintained and administered, the provisions under which this Bond is payable and the general covenants and provisions pursuant to which this Bond is issued, including provisions for the issuance of *pari passu* obligations under certain terms and conditions, reference is hereby made to the Bond Resolution.

This Bond shall be issued on a parity any other bonds issued prior to the delivery of the Bond payable out of the Hospital Revenue Fund.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Bond Resolution until the certificate of registration hereon shall have been signed by the Registrar.

It is certified that this Bond is authorized by and is issued in conformity with the requirements of the Constitution and statutes of Louisiana.

It is further certified, recited and declared that all acts, conditions and things required to exist, to happen and to be performed precedent to and in the issuance of this Bond to constitute the same a legal, binding and valid obligation of the District have happened and have been performed in due time, form and manner as required by law, and that the indebtedness of the District, including this Bond and the issue of which it forms a part, does not exceed the limitations prescribed by the Constitution and statutes of the State of Louisiana.

This Bond does not constitute an indebtedness of the State of Louisiana.

IN WITNESS WHEREOF, the Board of Commissioners of Hospital Service District No. 1A of the Parish of Richland, State of Louisiana, acting as the governing authority of the District, has caused this Bond to be executed in the name of the District by the manual signatures of its Chairman and its Secretary, and the District's corporate seal to be impressed hereon.

RICHLAND PARISH HOSPITALSERVICE DISTRICT NO. 1,
STATE OF LOUISIANA

_____	_____
Secretary	Chairman
Board of Commissioners	Board of Commissioners

[SEAL]

* * * * * *

(**CERTIFICATE OF REGISTRATION**)

This Bond has been registered as to principal and interest in the name of the registered owner hereof on the books of the Secretary of the Board of Commissioners of Hospital Service District No. 1A of the Parish of Richland, State of Louisiana, as Registrar and Paying Agent, as follows:

Date of Registration	***Name of Registered Owner***	***Address of Registered Owner***	***Signature of Registrar***
	United States of America	USDA, Rural Development Community Services Branch, Mail Code 1312 4300 Goodfellow Blvd., Bldg. 104 St. Louis, MO 63120-1703	

* * * * * * *

(**FORM OF ASSIGNMENT**)

FOR VALUE RECEIVED, the undersigned Assignor hereby sells, assigns and transfers the within bond and all rights thereunder unto the following Assignee:
Name:

_____

Address:

_____

_____

who by its execution below hereby certifies to the Paying Agent that (a) it is (i) an affiliate of the original owner of this Bond, (ii) a bank, or entity directly or indirectly controlled by a bank, or under common control with a bank, other than a broker or municipal securities dealer, which certifies that it is a "qualified institutional buyer" as defined in Rule 144A of the Securities Act of 1933, as amended, and (b) it consents to the terms of the Purchaser Letter executed by the original owner of this Bond as referenced in the Bond Resolution.

_____, Assignee _____, Assignor

By: _____ By: _____
Its: _____ Its: _____

Date:_____

* * * * * *

(CERTIFICATE OF DELIVERY)

I, the undersigned Secretary of the Board of Commissioners of Hospital Service District No. 1A of the Parish of Richland, State of Louisiana, acting as paying agent and registrar, do hereby certify that this Bond was delivered to the purchaser therefor and payment duly received therefor on the dates and in the amounts hereinafter shown:

Date	***Amount of Principal Payment***	***Signature of Secretary of governing authority of the District***

* * * * * *

PAYMENT RECORD

HOSPITAL REVENUE BOND, SERIES 2028
RICHLAND PARISH HOSPITALSERVICE DISTRICT NO. 1,
STATE OF LOUISIANA

DATED _____, 2028

Due Date	Principal Payment	Principal Balance Due	Interest Payment (4.50%)	Date Paid	Signature of Authorized Official and Title

* * * * * *

(**FORM OF PREPAYMENT RECORD TO BE ATTACHED TO BOND**)

HOSPITAL REVENUE BOND, SERIES 2028
RICHLAND PARISH HOSPITALSERVICE DISTRICT NO. 1,
STATE OF LOUISIANA

DATED _____, 2028

Principal Payment Date	Amount Due	Amount Paid	Date Paid	Signature of Authorized Official and Title
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

* * * * * *

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APPENDIX F

FORM OF
BOND COUNSEL OPINION

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Our file No. 25010

August ___, 2026

Hon. Board of Commissioners
Hospital Service District No. 1A
Parish of Richland, State of Louisiana

$53,600,000
BOND ANTICIPATION NOTES, SERIES 2026
OF
HOSPITAL SERVICE DISTRICT NO. 1A
OF THE PARISH OF RICHLAND, STATE OF LOUISIANA

We have acted as bond counsel to Hospital Service District No. 1A of the Parish of Richland, State of Louisiana (the "*District*"), in connection with the issuance of the captioned Bond Anticipation Notes, Series 2026 (the "*Notes*"). The Notes have been issued pursuant to a resolution adopted by the Board of Commissions of the District (the "*Board*") on June 25, 2026, as amended by a resolution adopted by the Board on July 21, 2026 (collectively, the "*Note Resolution*"), for the purpose of providing interim financing for a portion of the costs of constructing, expanding and renovating the Hospital, including, but not limited to, improvements, equipment, accessories and furnishings therefor, and pay the costs of issuance of the Notes, under the authority conferred by the provisions of Part II, Chapter 4 of Subtitle II of Title 39 of the Louisiana Revised Statutes of 1950, as amended, and other constitutional and statutory authority (the "*Act*"). Capitalized terms used but not defined herein shall have the meanings given such terms in the Note Resolution.

The District, in and by the Note Resolution, has entered into certain covenants and agreements with the owners of the Notes with respect to the security and payment of the Notes, including a provision for the issuance of *pari passu* obligations hereafter under certain conditions and restrictions, for the terms of which reference is made to the Note Resolution.

We have examined the provisions of the Constitution and statutes of the State of Louisiana (the "*State*"), a certified transcript of the proceedings of the governing authority of the District relating to the issuance of the Notes, and such other documents, proofs and matters of law as we deemed necessary to give the opinions below.

As to questions of fact material to our opinions below, we have relied upon certified proceedings and other certifications and representations of public officials and others furnished to us without undertaking to verify the same by independent investigation.

Based on the foregoing, we are of the opinion, as of the date hereof and under existing law, that:

1. The District is a validly existing political subdivision of the State with the power to adopt the Note Resolution and issue the Notes.

2. The Note Resolution has been duly adopted by the governing authority of the District and constitutes a valid and binding obligation of the District.

3. The Notes constitute valid and binding limited and special obligations of the District and are payable from an irrevocable pledge and dedication of the proceeds to be derived from the USDA Direct Loan Bonds, and to the extent not paid from the foregoing, from the Net Revenues, all as provided in the Note Resolution. The pledge of Net Revenues to pay the Notes shall be on a parity with the pledge of Net Revenues to pay debt service on the Bank Loan Bonds and superior to any payment obligations owed by the District with respect to the NMTC Transaction.

4. Interest on the Note is excludable from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "***Code***"), and is not a specific item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; however, such interest may be taken into account for the purpose of computing the alternative minimum tax imposed on certain corporations.

5. Pursuant to the aforementioned constitutional and statutory authority, the Notes and the interest or other income thereon or with respect thereto shall be exempt from all income tax and other taxation in the State.

The opinion given in numbered paragraph 4 above is subject to the condition that the District comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Notes in order that the interest thereon be, and continue to be, excludable from gross income for federal income tax purposes. The District has covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause interest on the Notes to be includable in gross income for federal income tax purposes retroactive to the date of issuance of the Notes, regardless of the date on which the event causing such inclusion occurs.

We express no opinion as to any federal, state or local tax consequences arising with respect to the Notes other than as expressly set forth herein.

It is to be understood that the rights of the owners of the Notes and the enforceability of the Notes and the Note Resolution are limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting the rights and remedies of creditors and by equitable principles, to the extent constitutionally applicable, and that their enforceability may also be subject to the exercise of the sovereign police powers of the State, or its governmental bodies, and the exercise of judicial discretion in appropriate cases.

The opinions given in this letter are given as of the date set forth above, and we assume no obligation to revise or supplement such opinions to reflect any facts or circumstances that may later come to our attention or any changes in law that may later occur.

Respectfully submitted,

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APPENDIX G

FORM OF
CONTINUING DISCLOSURE AGREEMENT

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CONTINUING DISCLOSURE CERTIFICATE

$53,600,000
BOND ANTICIPATION NOTES, SERIES 2026
OF
HOSPITAL SERVICE DISTRICT NO. 1A
OF THE PARISH OF RICHLAND, STATE OF LOUISIANA

This Continuing Disclosure Certificate (the "***Disclosure Certificate***") is executed and delivered by the Chairman and Secretary, respectively, of the Board of Commissioners of Hospital Service District No. 1A of the Parish of Richland, State of Louisiana (the "***Governing Authority***"), acting as the governing authority of Hospital Service District No. 1A of the Parish of Richland, State of Louisiana (the "***District***") in connection with the issuance of the above captioned Bond Anticipation Notes, Series 2026 of the District (the "***Notes***"). The Notes are being issued pursuant to a resolution adopted by the governing authority of the District on June 25, 2026, as amended on July 21, 2026 (collectively, the "***Resolution***"), and are described in that certain Official Statement dated _____, 2026 (the "***Official Statement***") which contains certain information concerning the District, the Bonds and certain financial and other information relating thereto. The District covenants and agrees as follows:

SECTION 1. *Definitions.* In addition to the definitions set forth in the preceding paragraph and in the Resolution, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"*Annual Report*" shall mean any Annual Report provided by the District pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"*Bondholder*" shall mean any owner of the Bonds, including any owner of a beneficial interest in the Bonds.

"*Dissemination Agent*" shall mean the Chief Financial Officer of the Governing Authority, whose mailing address is 407 Cincinnati Street, Delhi, LA 71232, or any successor Dissemination Agent designated by the District.

"*Governing Authority*" shall mean the Board of Commissioners of Hospital Service District No. 1A of the Parish of Richland, State of Louisiana.

"*Listed Events*" shall mean any of the events listed in Section 5(a) of this Disclosure Certificate.

"*MSRB*" shall mean the Municipal Securities Rulemaking Board, through its Electronic Municipal Market Access Center ("***EMMA***") which has been designated by the Securities and Exchange Commission as the single centralized repository for the collection and availability of continuing disclosure documents for purposes of the Rule, and which is available at the following web address:

Municipal Securities Rulemaking Board
Electronic Municipal Market Access Center
http://emma.msrb.org

"*Participating Underwriter*" means Stifel, Nicolaus & Company, Incorporated, the firm acting as underwriter in the primary offering of the Bonds.

"*Rule*" shall mean Rule 15c2-12 (b) (5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

SECTION 2. **Purpose of the Disclosure Certificate**. This Disclosure Certificate is being executed and delivered by the District for the benefit of the Bondholders and the Participating Underwriter, and in order to assist the Participating Underwriter in complying with the Rule.

SECTION 3. **Provision of Annual Reports**. (a) The District shall, or shall cause, the Dissemination Agent to, in each year no later than seven (7) months from the end of the District's fiscal year, with the first such report due not later than April 30, 2027, provide to the MSRB an Annual Report which is consistent with the requirements set forth in Section 4 below. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as set forth below; *provided* that the audited financial statements of the District may be submitted separately from the balance of the Annual Report. If the District's fiscal year changes, it shall give, or shall cause to be given, notice of such change in the same manner as for a Listed Event under Section 5, and this Disclosure Certificate shall, to the extent necessary, be automatically amended so that the due date of the Annual Report as provided in this paragraph shall be the last day of the sixth month following the end of the new fiscal year, and such new date shall be included in the notice given pursuant to this sentence.

(b) If the Annual Report is not provided to the MSRB by the date required in (a) above, the District shall, or shall cause the Dissemination Agent to, send in a timely manner a Notice of Failure to File Annual Report to the MSRB, in substantially the form attached as **Exhibit A**.

SECTION 4. **Content of Annual Reports**. The Annual Report shall contain or incorporate by reference the following:

(a) Audited financial statements of the District for the preceding fiscal year. If the District's audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements in a format preferred by the District, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

(b) Updates of the following information appearing in the Official Statement, provided that any table that provides historical data may, in the discretion of the District, only include data for the five (5) most recent years:

i. Number of Medicare Acute Days at Richland Parish Hospital for the prior year;

ii. Utilization and Ancillary Utilization at Richland Parish Hospital for the prior year;
iii. Hospital Payor Mix at Richland Parish Hospital for the prior year;
iv. Revenues by Payment Source at Richland Parish Hospital for the prior year;
v. Financial Metrics at Richland Parish Hospital for the prior year.

(c) Any change in the basis of accounting used by the District in reporting its financial statements. The District currently follows GAAP principles and mandated Louisiana statutory accounting requirements as in effect from time to time. In the event of any material change in such requirements the impact of such changes will be described in the Annual Report of the year such change occurs.

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues of the District or related public entities, which have been submitted to the MSRB or the Securities and Exchange Commission. If the document incorporated by reference is a deemed final official statement, it shall be available from the MSRB. The District shall clearly identify each such other document so incorporated by reference.

SECTION 5. **Reporting of Listed Events**. (a) This section shall govern the giving of notices of the occurrence of any of the following Listed Events with respect to the Bonds:

(i) Principal and interest payment delinquencies;
(ii) Non-payment related defaults, if material;
(iii) Unscheduled draws on debt service reserves reflecting financial difficulties;
(iv) Unscheduled draws on credit enhancements reflecting financial difficulties;
(v) Substitution of credit or liquidity providers, or their failure to perform;
(vi) 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;
(vii) Modifications to rights of Bondholders, if material;
(viii) Bond calls, if material, and tender offers;
(ix) Defeasances;
(x) Release, substitution, or sale of property securing repayment of the Bonds, if material;
(xi) Rating changes;
(xii) Bankruptcy, insolvency, receivership or similar event of the District;
(xiii) The consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the District, 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;
(xiv) Appointment of a successor or additional trustee or paying agent or the change of name of a trustee or paying agent, if material;
(xv) Incurrence of a financial obligation of the District, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a

financial obligation of the District, any of which affect Bondholders; or

(xvi) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the District, any of which reflect financial difficulties.

(b) Whenever the District obtains knowledge of the occurrence of a Listed Event, the District shall direct the Dissemination Agent to file as soon as possible, but in no event more than ten business days after the occurrence of the event, a notice of such occurrence with the MSRB.

(c) The term "*financial obligation*" as used in Section 5(a)(xv) and (xvi) above shall have the meaning given to such term in the District's Post-Issuance Compliance Policy for Municipal Securities in effect on the date hereof, as said policy may be amended from time to time.

SECTION 6. **Management Discussion of Items Disclosed**. If an item required to be disclosed as part of the Annual Report or the Listed Events would be misleading without discussion, the District shall additionally provide a statement clarifying the disclosure in order that the statement made will not be misleading in light of the circumstances in which it is made.

SECTION 7. **Termination of Reporting Obligation**. The obligations of the District under this Disclosure Certificate shall terminate upon the defeasance, prior redemption or payment in full of all of the Bonds.

SECTION 8. **Dissemination Agent**. The District may, from time to time, appoint or engage a successor Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent.

SECTION 9. **Amendment; Waiver**. Notwithstanding any other provision of this Disclosure Certificate, the District may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) The amendment or waiver 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 the District, or type of business conducted;

(b) This Disclosure Certificate, as amended, or the provision, as waived, would, in the opinion of counsel expert in federal securities laws selected by the District, have complied with the requirements of the Rule at the time of the primary offering 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 Bondholders in the same manner as provided in the Resolution for amendments to the Resolution with the consent of Bondholders, (ii) does not, in the opinion of counsel expert in federal securities laws selected by the District, materially impair the interests of the Bondholders, (iii) is necessary to comply with a change in the legal requirements or other change in law, including any change in the requirements of the Rule, or (iv) is otherwise permitted by federal securities laws at the time of such amendment.

In the event of any such amendment or waiver of a provision of this Disclosure Certificate, the District shall describe such amendment in the next Annual Report relating to the District and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of change of accounting principles, on the presentation) of financial information or operating data being presented by or in respect of the District.

SECTION 10. **Additional Information**. Nothing in this Disclosure Certificate shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the District chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the District shall not have any obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 11. **Default**. In the event of a failure of the District to comply with any provision of this Disclosure Certificate any Bondholder or the Participating Underwriter may take such actions as may be necessary and appropriate, to cause the District to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an event of default under the Resolution, and the sole remedy under this Disclosure Certificate in the event of any failure of the District to comply with this Disclosure Certificate shall be an action to compel performance.

SECTION 12. **Beneficiaries**. This Disclosure Certificate shall inure solely to the benefit of the District, the Dissemination Agent, the Participating Underwriter and the Bondholders, and shall create no rights in any other person or entity.

SECTION 13. **Other Stipulations**. Any document submitted to the MSRB pursuant to this Disclosure Certificate shall be accompanied by identifying information as prescribed by the MSRB. Any document submitted to the MSRB pursuant to this Disclosure Certificate shall be in Portable Document Format (.pdf) and word-searchable (without regard to diagrams, images and other non-textual elements).

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[SIGNATURE PAGE TO CONTINUING DISCLOSURE CERTIFICATE]

IN FAITH WHEREOF, the undersigned has executed this Continuing Disclosure Certificate on this, the _____ day of _____, 2026.

HOSPITAL SERVICE DISTRICT NO. 1A OF THE PARISH OF RICHLAND, STATE OF LOUISIANA

By: _____
Chairman
Board of Commissioners

By: _____
Secretary
Board of Commissioners

EXHIBIT A
to Continuing Disclosure Certificate

NOTICE OF FAILURE TO FILE ANNUAL REPORT

Name of District: Hospital Service District No. 1A of the Parish of Richland, State of Louisiana

Name of Bond Issue: Bond Anticipation Notes, Series 2026, Hospital Revenue Bonds, Series 2026A and Hospital Revenue Bonds, Series 2026B

Date of Issuance: August ____, 2026

NOTICE IS HEREBY GIVEN that the District has not provided an Annual Report as required by the Continuing Disclosure Certificate executed in connection with the above-described bonds. The District anticipates that its Annual Report will be filed by _____, 20___.

Date: _____, 20___.

HOSPITAL SERVICE DISTRICT NO. 1A OF THE PARISH OF RICHLAND, STATE OF LOUISIANA

By: _____

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