

SECOND AMENDED AND RESTATED INDENTURE OF TRUST

between

CITY OF NORTHFIELD, MINNESOTA

and

WELLS FARGO BANK, NATIONAL ASSOCIATION

as Trustee

Dated as of ~~August~~October 1, ~~2016~~2018

Relating to
City of Northfield, Minnesota
Hospital Revenue Bonds

(THIS INDENTURE CONTAINS AFTER-ACQUIRED PROPERTY PROVISIONS
AND CONSTITUTES A SECURITY AGREEMENT AND A FIXTURE FINANCING
STATEMENT UNDER MINNESOTA STATUTES, SECTION 336.9-313)

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INDENTURE OF TRUST

THIS SECOND AMENDED AND RESTATED INDENTURE OF TRUST, dated as of ~~August~~October 1, ~~2016~~2018 between the CITY OF NORTHFIELD, a municipality organized and existing under its City Charter, the Constitution and laws of the State of Minnesota (the “City”) and ~~Wells Fargo Bank, National Association~~WELLS FARGO BANK, NATIONAL ASSOCIATION, in Minneapolis, Minnesota, a national banking association organized and existing under the laws of the United States, as Trustee (hereinafter, together with any successor trustee under this Indenture, referred to as the “Trustee”),

WITNESSETH:

WHEREAS, the City is authorized by Minnesota Statutes, Sections 447.45 through 447.50, as amended (the “Act”), to issue its revenue bonds to finance hospital, nursing home and related medical facilities and health care facilities; and

WHEREAS, the City owns and operates a municipal hospital and nursing home facility (the “Hospital”) pursuant to its City Charter and the Act; and

WHEREAS, the City ~~has~~previously determined that it ~~is~~was necessary to refund certain outstanding bonds and acquire, construct and equip improvements, additions, extensions, renewals or replacements to Hospital facilities including without limitation improvements to the urgent care center and the obstetrics unit (the “Project”); and

WHEREAS, in order to refund the Series 2006 Bonds (as defined herein), the City ~~has agreed to issue~~issued its Hospital Revenue Refunding Bond, Series 2016A, in the aggregate principal amount of \$22,375,000 (the “Series 2016A Bond”); and

WHEREAS, in order to finance a portion of the costs of the Project, the City ~~has agreed to issue~~issued its Hospital Revenue Bond, Series 2016B, in the aggregate principal amount of \$2,625,000 (the “Series 2016B Bond”); and

WHEREAS, prior to the issuance of the Series 2016A Bond and the Series 2016B Bond, the City ~~has~~had previously issued, pursuant to that certain Mortgage and Security Agreement and Indenture of Trust, dated as of November 1, 2001, between the City, and the Trustee, as previously amended (the “Original Indenture”), and there ~~are~~were outstanding, the Hospital Revenue Bonds, Series 2006 (the “Series 2006 Bonds”) and the Hospital Revenue Bonds, Series 2015B (the “Series 2015B Bonds”) which ~~have~~had a lien on the Net Revenues (as hereinafter defined) of the Hospital;

WHEREAS, the City ~~has~~ determined to call for redemption and prepayment on November 1, 2016, the Series 2006 Bonds in accordance with the Notice of Call for Redemption attached hereto as **Exhibit C**; and

WHEREAS, in connection with the issuance of the Series 2016A Bond and the Series 2016B Bond, and with the consent of the holder of the Series 2015B Bond, the City and the Trustee ~~have~~ determined, for purposes of convenience, to amend and restate the terms ~~of the Original Indenture and agree for purposes of convenience, to amend and restate the Original~~ of the Original Indenture in its entirety pursuant to that certain Amended and Restated Indenture of Trust dated as of

August 1, 2016, between the City and the Trustee, as previously amended (the “Amended and Restated Indenture”); and

WHEREAS, with the consent of the holders of the Series 2015B Bond, the Series 2016A Bond, and the Series 2016B Bond, the City and Trustee have agreed to change the definition of “Operating Expenses” (defined herein) and have determined, for purposes of convenience, to amend and restate the terms of the Amended and Restated Indenture in its entirety, as provided herein; ~~and~~

WHEREAS, to secure payment of the principal of, redemption premium, if any, and interest on the Series 2015B Bond, the Series 2016A Bond, the Series 2016B Bond and any Additional Bonds hereinafter issued, and to induce the purchase of the Bonds by the Original Purchasers thereof, the City ~~has~~ determined to execute and deliver this Indenture to the Trustee; and

WHEREAS, all things have been done that are necessary to make the Bonds herein authorized, when executed and issued by the City and authenticated and delivered hereunder, the valid obligations of the City in accordance with their terms, and to constitute this Indenture a valid contract for the security of the Bonds herein authorized, in accordance with its terms.

GRANTING CLAUSES

NOW, THEREFORE, THIS INDENTURE WITNESSETH that, to secure payment of the principal of, premium, if any, and interest on the Bonds according to their tenor and effect and the performance of all covenants and conditions therein and herein contained, and in consideration of the premises, and of the purchase of the Bonds by the Holders thereof, the City by these presents have granted, bargained, sold, conveyed, and pledged, and by these presents do hereby grant, bargain, sell, convey, and pledge, unto the Trustee, its successors and assigns forever:

GRANTING CLAUSE FIRST

The Net Revenues of the Hospital.

GRANTING CLAUSE SECOND

All other property of every kind which is now or hereafter subjected to the lien of this Indenture or pledged or assigned to the Trustee pursuant to the provisions of this Indenture, including without limitation all cash and securities now or hereafter held in the Trust Funds created or established under this Indenture (other than the Rebate Fund), all insurance proceeds and condemnation awards or other moneys represented by “Trust Moneys” (as hereinafter defined in Section 6.01).

The premises and property herein described and referred to above shall hereinafter be called the “Trust Estate.”

TO HAVE AND TO HOLD the Trust Estate together with the hereditaments and appurtenances thereunto now or hereafter belonging or in anywise appertaining unto the Trustee and its successors and assigns forever;

PROVIDED, NEVERTHELESS that these presents are upon the express condition that if the City shall pay or cause to be paid the Bonds and all other indebtedness hereby secured and

shall strictly observe and perform all the terms, provisions and conditions herein contained and the other instruments given as security for the Bonds, then this Indenture and the estate, right and interest of the Trustee in the Trust Estate shall cease and be and become void and of no effect.

THIS INDENTURE FURTHER WITNESSETH as follows:

ARTICLE I

DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

Section 1.01 Definitions. The terms defined in this Article I shall for all purposes of this Indenture have the meanings herein specified, unless the context clearly otherwise requires:

A. “This Indenture” means this instrument as originally executed or as it may from time to time be amended or supplemented by one or more Supplemental Indentures entered into pursuant to the applicable provisions hereof.

B. All references in this instrument to designated “Articles,” “Sections” and other subdivisions are to the designated Articles, Sections and other subdivisions of this instrument as originally executed.

C. The words “herein,” “hereof” and “hereunder” and other words of similar import, without reference to any particular Article, Section or subdivision, refer to this Indenture as a whole and not to any particular Article, Section or other subdivision unless the context clearly indicates otherwise.

D. The terms defined in this Article shall include the plural as well as the singular.

E. All accounting terms not otherwise defined herein have the meanings assigned to them in accordance with generally accepted accounting principles.

F. All computations provided herein shall be made in accordance with generally accepted accounting principles.

Act: Minnesota Statutes, Sections 447.45 through 447.50, as amended;

Additional Bonds: any Bonds issued pursuant to Article V hereof;

Additional Indebtedness: all Indebtedness incurred or assumed by the Board subsequent to the issuance of the Bonds and payable more than one year from the date of creation thereof, including Indebtedness whenever payable if renewable pursuant to the terms thereof or a revolving loan agreement to a date more than one year after the date of creation of such Indebtedness which under generally accepted accounting principles are shown on the balance sheet as a liability;

Architect: a Person who is a registered architect in the State of Minnesota, whether or not employed by, or in any way affiliated with, the City;

Authorized Denominations: \$5,000 each or in any integral multiple thereof of a single maturity of Bonds;

Balloon Indebtedness: Indebtedness, other than Indebtedness which matures within one year of the date of incurrence, 25% or more of the original principal of which matures or is subject to mandatory redemption, tender, or put during any consecutive 12-month period if such maturing principal amount is not required to be amortized by mandatory redemption or prepayment prior to such period;

Board: the Northfield Hospital Board organized under the Charter of the City, its successor and assigns;

Board Representative: the Chief Executive Officer or the Chief Financial Officer of the Hospital or any other person designated by the City to act in such capacity delivered to the Trustee containing the signatures of such person and signed for the City by the Mayor;

Bond Counsel: any firm of nationally recognized bond counsel experienced in tax exempt health care revenue bond financing selected by the Trustee and acceptable to the City and Original Purchaser;

Bond Fund: the Revenue Bond Debt Service Account created as a trust account pursuant to Section 6.04 hereof;

Bond Register: the register maintained by the Trustee pursuant to Section 3.06 hereof;

Bond Registrar: the Trustee;

Bond Year: the 12 month period commencing on January 1 and ending on the following December 31, or such other 12 month period selected by the City with respect to any series of tax exempt Bonds; provided that the first Bond Year for the Series 2015B Bond is the period ending December 31, 2015 and for the Series 2016 Bonds is the period ending December 31, 2016;

Bondholder or Holder: the registered owner of any Outstanding Bond;

Bonds: the Series 2015B Bond, the Series 2016A Bond and the Series 2016B Bond and any Additional Bonds;

Book Value: the value of such Hospital Assets, net of accumulated depreciation and amortization, as reflected in the most recent audited financial statements of the Hospital which have been prepared in accordance with GAAP;

Buildings: any buildings or structures now or hereafter located on the Land;

Business Day: any day other than a Saturday or Sunday or other day on which commercial banks in the city in which the principal corporate trust office of the Trustee is located are not open for business;

Cash Test Date: the last day of the Fiscal Year;

City: the City of Northfield, Minnesota, its successors and assigns;

City Certificate, City Request, City Order or City Consent: a written certificate, request, order or consent of the City, signed by the Mayor or City Clerk/Finance Director or other official of the City designated pursuant to a resolution of the City Council and delivered to the Trustee;

City Representative: the City Administrator or any other person at any time designated in writing by the City to act in such capacity and delivered to the Trustee containing the specimen signature of such person and signed for the City by the Mayor;

City Resolution: a resolution, ordinance or other enactment of the City Council certified by an appropriate officer to have been duly adopted, and delivered to the Trustee;

Code: the Internal Revenue Code of 1986, as amended;

Collateral Document: collectively, any security instruments now or hereafter given to the Trustee by the City to secure the Bonds;

Completion Date: date upon which the City determines, in a notice to the Trustee, that all Costs of the Project have been paid with respect to each series of Bonds from which such costs are to be paid;

Construction Contract: any contract of the City providing for the construction, equipping or installation of any part of the Project, including any amendment thereof made in accordance with the provisions thereof and hereof;

Construction Fund: the fund created pursuant to Section 6.03 hereof;

Contractor: a Person with whom the City enters into a Construction Contract;

Contributions: the aggregate amount of all contributions, grants, gifts, bequests and devises actually received in the form of cash or marketable securities which are not restricted in any way which would prevent their application to the payment of debt service;

Construction Index: the health care component of the implicit price deflator for the gross national product as reported by the United States Department of Commerce or its successor agency or, if such index is no longer published, such other index which is certified to be comparable and appropriate by the Board Representative in an Officer's Certificate delivered to the Trustee;

Cost of the Project: any and all sums of money required to acquire, construct and install the Project, excluding Costs of Issuance but including the following:

A. the expense of preparation of the Plans and Specifications and of all other architectural, engineering, testing and supervisory services incurred and to be incurred in the planning, construction and completion of the Project;

B. the cost of acquisition and installation of all items of equipment, machinery or furnishings included in the Project;

C. the contract price of all labor, services, materials, supplies, equipment and remodeling furnished under a Construction Contract;

D. the cost of all other labor, services, materials, supplies and equipment necessary to complete the construction and installation of the Project;

E. all interest accruing on money borrowed by the City for financing of the Cost of the Project during construction, including, but not limited to, interest on that portion of the Bonds, to the extent not payable from proceeds of the Bonds credited to the Bond Fund, prior to completion of the Project;

F. without limitation by the foregoing, all other expenses which under generally accepted accounting principles constitute necessary capital expenditures for the to the Project and are authorized by law to be paid from the proceeds of the Bonds; and

G. all advances, payments and expenditures made or to be made by the City, the Trustee and any other Person with respect to any of the foregoing expenses;

Costs of Issuance: any and all sums of money required to authorize, sell and issue the Bonds, including, but not limited to, all legal, abstracting, financial and accounting fees and expenses, underwriters' fees or commissions, printing and engraving costs, the initial or acceptance fee and expenses of the Trustee, all fees and taxes required in connection with recording or filing the Indenture and all financing statements and all other expenses incurred in connection with the preparation of the Indenture, and any other documents;

Counsel: an attorney duly admitted to practice law before the highest court of any state, whether or not employed by or attorney for the City or the Original Purchaser;

Current Expenses: the reasonable and necessary costs of operating, maintaining and insuring the Hospital, salaries, wages, costs of materials and supplies, necessary legal, engineering and auditing services, and all other items, which, by sound accounting practices, constitute normal, reasonable and current costs of operation and maintenance, but excluding any allowance for depreciation;

Current Value: means, the fair market value of such Hospital Assets as evidenced by a written report delivered to the Trustee within 24 months prior to the date such computation of Current Value is made, which report is dated not more than 24 months prior to the date of submission to the Trustee, by an appraiser who is a Member of the Appraisal Institute (MAI), increased or decreased by a percentage equal to the percentage increase or decrease in the Construction Index from the date of such report to the date on which the Construction Index has last been reported prior to the date as of which Current Value is to be calculated;

Days Cash on Hand: as of any date of calculation (1) Liquid Assets divided by (2) the difference between "total operating expenses" and "depreciation and amortization" of the Hospital for the most recent Fiscal Year divided by 365;

Event of Default: any of the events referred to as such in Section 9.01 hereof;

Fiscal Year: the calendar year or any other twelve month period specified by the Board as the fiscal year of the Hospital;

Fund Balances: the fund balances of any Person, if such Person is a non-profit corporation, the shareholders' equity of any Person, if such Person is a for-profit corporation, or the net worth of any other Person, if such Person is not a corporation, as shall be determined in accordance with generally accepted accounting principles;

GASB: the Governmental Accounting Standards Board.

General Obligation Bonds: any general obligation bonds of the City made payable from the Net Revenues and secured by a pledge of the full faith and credit of the City;

Government Obligations: direct obligations of, or obligations the principal of and the interest on which are fully and unconditionally guaranteed by, the United States of America, or securities or receipts evidencing ownership interests in any of the foregoing obligations or in specified portions (such as principal or interest) of any of the foregoing obligations;

Ground Lease: the Ground Lease between the Ground Lessor and the City dated as of November 17, 1999, as amended from time to time;

Ground Lessor: St. Olaf College, a Minnesota nonprofit corporation;

Hospital or Hospital Facilities: all buildings, structures, improvements, equipment, facilities and land under the jurisdiction of the Board, collectively designated as the Northfield Hospital under the Charter of the City;

Hospital Assets: the Hospital and any other properties constituting capital assets subject to the jurisdiction of the Board;

Income Available for Debt Service: Revenues minus Operating Expenses;

Indebtedness: the Bonds, any General Obligation Bonds, any Additional Bonds or Additional Indebtedness and all other obligations appearing as liabilities on the balance sheet of the Hospital for the payment of moneys incurred or assumed by the Board, all as determined in accordance with generally accepted accounting principles, except that Indebtedness shall not include:

(a) Indebtedness incurred in the ordinary course of business for other than borrowed money (including without limitation accounts payable, accrued expenses, social security and unemployment insurance liabilities);

(b) any continuing obligation to pay principal of and interest on Indebtedness for which there has been established an escrow or similar fund or account, satisfactory to the Holder of such Indebtedness (or a trustee or agent acting on behalf of such Holder),

for the payment in full of such Indebtedness when due and for which such Holder (or such trustee or agent) has exclusive recourse; and

(c) any crossover refunding Indebtedness prior to the earliest crossover date provided that (i) no principal is scheduled to become due on such Indebtedness on or before said crossover date; and (ii) sufficient funds are deposited in escrow to pay interest to become due on such Indebtedness on or before said crossover date;

Indenture: this Second Amended and Restated Indenture of Trust, dated as of October 1, 2018, between the City and the Trustee, including any supplement hereto or amendment hereof entered into in accordance with the provisions hereof.

Independent Accountant: a certified public accountant or firm of certified public accountants registered and qualified to practice as such under the laws of the State of Minnesota and not regularly employed by the Board or otherwise by the City except to perform independent audits of the books and records or to make other similar periodic reviews;

Independent Counsel: any attorney duly admitted to practice law before the highest court of any state, who may be counsel to the Board or otherwise to the City; and any opinion of Independent Counsel shall be a written opinion signed by such Counsel;

Independent Insurance Consultant: any person experienced in matters relating to the insurance of hospital facilities who, in the judgment of the Board, has a favorable reputation for skill and experience in such work and who is not an employee or officer of the Board or otherwise of the City and is selected and appointed by the Board;

Independent Management Consultant: any person qualified to study operations of hospitals who, in the judgment of the Board has a favorable national reputation for skill and experience in such work and who is not an employee or officer of the Board or otherwise of the City and is selected and appointed by the Board;

~~Indenture: this Amended and Restated Indenture of Trust, dated as of August 1, 2016, between the City and the Trustee, including any supplement hereto or amendment hereof entered into in accordance with the provisions hereof;~~

Insurance Trustee: the United States Trust Company of New York;

Interest Payment Date: a date on which interest is due on any Bonds;

Land: the real estate described in **Exhibit A** hereto;

Liquid Assets: cash and cash equivalents and investments of the Hospital that are unrestricted as of such date, including without limitation any Board-designated liquid assets;

Mandatory Redemption Schedule: the mandatory redemption schedule for any Bonds issued as term bonds, as set forth herein or in any supplement to this Indenture;

Maximum Annual Principal and Interest Requirements: as of any date of calculation the highest Principal and Interest Requirements in any Fiscal Year, provided that if any such Indebtedness is Balloon Indebtedness, such Indebtedness shall be treated for purposes of this calculation as if the principal amount of such Indebtedness were amortized from the date of issuance of the Balloon Indebtedness over the stated amortization period, if any, of such Indebtedness or 30 years, if no amortization period is stated, and bears interest on the unpaid principal balance at the Projected Rate and is payable on a level annual debt service basis over such period. In addition, if interest on any Indebtedness is payable pursuant to a variable interest rate formula or is otherwise incapable of determination, such Indebtedness shall be assumed to bear interest at a fixed rate equal to the average of the daily interest rate on such Indebtedness during the 12 months preceding the calculation or during such time the Indebtedness has been outstanding if less than 12 months, and if such Indebtedness is not at the time of calculation outstanding, it shall be deemed to have borne interest at a fixed rate equal to the average daily interest rate such Indebtedness would have borne according to the applicable rate formula had it been outstanding for the preceding 12-month period. There shall be excluded from any calculation with respect to Maximum Annual Debt Service the amount of interest payable during any period from the proceeds of such Indebtedness deposited with a trustee for such purpose.

Net Proceeds: with respect to any insurance payment or Condemnation award, the gross proceeds remaining therefrom after payment to the City of all costs reasonably incurred by it in connection with any condemnation proceedings or the collection of insurance, including, but not limited to attorney's fees and expert witness fees;

Net Revenues: all Revenues minus Current Expenses;

Officer's Certificate: with reference to the City, a certificate in writing signed by the Mayor and City Administrator, and with reference to the Hospital, a certificate in writing signed by the chief executive officer or chief financial officer of the Hospital;

Operating Expenses: the reasonable and necessary costs of administering, operating and maintaining the Hospital, but excluding (i) non-recurring or extraordinary losses, including but not limited to, any losses on the sale, exchange or other disposition of property not in the ordinary course of business, (ii) depreciation, (iii) unrealized losses arising from the periodic valuation of investments, (iv) amortization, and (v) interest, all determined in accordance with generally accepted accounting principles; provided that for purposes of satisfying coverage requirements hereunder "Expenses" shall not take into account any other extraordinary or non-recurring expenses not otherwise deducted hereunder and shall not take into account any recurring non-cash GASB pension related income or expenses;

Original Indenture: that certain Mortgage and Security Agreement and Indenture of Trust, dated as of November 1, 2001, between the City, and the Trustee, as previously amended;

Original Purchaser(s): as applicable, the original purchaser of each series of Bonds from the City;

Outstanding: when used with reference to Bonds means, as of the date of determination, all Bonds authenticated and delivered under the Indenture, except

(A) Bonds theretofore cancelled by the Trustee or delivered to the Trustee cancelled or for cancellation;

(B) Bonds deemed paid in accordance with the provisions of Article VIII of this Indenture;

(C) Bonds in lieu of which other Bonds shall have been authenticated and delivered pursuant to this Indenture;

provided, however, that in determining whether the Holders of the requisite principal amount of Outstanding Bonds have given any request, demand, authorization, direction, notice, consent or waiver under the Indenture, unless the City owns all Outstanding Bonds, Bonds owned by the City shall be disregarded and deemed not to be Outstanding, except that in determining whether the Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Bonds which the Trustee knows to be so owned shall be disregarded;

Parity Debt: the Bonds, any Additional Bonds and any Additional Indebtedness secured by a pledge of Net Revenues on a parity of lien with the lien on Net Revenues as provided in Article V of this Indenture;

Permitted Encumbrances: as of any particular time, (i) liens for special assessments not then delinquent, (ii) liens or security interests arising under a capital lease, installment purchase contract or any other purchase money security interest in tangible personal property and in any proceeds thereof, (iii) utility, access and other easements and rights-of-way, mineral rights, restrictions and exceptions that will not interfere with or impair the use of or operations being conducted in the Hospital, (iv) such minor defects, irregularities, encumbrances, easements, rights-of-way and clouds on title as normally exist with respect to properties similar in character to the Hospital and as do not in the aggregate, in the opinion of Independent Counsel, materially impair the use of or operations being conducted in the Hospital, and (v) encumbrances listed on **Exhibit A**;

Person: any individual, corporation, partnership, joint venture, association, joint stock company, trust, unincorporated organization, government, or any agency or political subdivision thereof;

Plans and Specifications: the plans and specifications for the construction work for the Project, to be prepared by the Architect and approved by the City, as the same may be modified from time to time;

Principal and Interest Requirements: for any Fiscal Year, the amount required to pay principal and interest scheduled to become due on any Indebtedness;

Project: the construction, installment and equipping of hospital and nursing home facilities on the Land or otherwise owned and operated by the City and improvements, additions, extensions, renewals or replacements thereto;

Project Equipment: all items of equipment, furniture and other personal property and all substitutions and replacements therefor;

Projected Rate: the projected yield at par of a hypothetical obligation of the City payable from Net Revenues in the same principal amount as the Indebtedness with respect to which debt service is being estimated, payable on an approximately level annual debt service basis over the applicable time period specified in this Indenture, such yield to be determined by a financial advisory firm or investment banking firm selected by the Board;

Property Insurance and Award Fund: the trust fund created in Section 6.08 hereof;

Qualified Investments: the investments specified as such in Section 6.09 hereof;

Real Property: all land and buildings which constitute part of the Hospital Assets;

Rebate Fund: the trust fund created pursuant to Section 6.07 hereof;

Redemption Date: when used with respect to any Bond to be redeemed, the date on which it is to be redeemed pursuant hereto;

Redemption Price: when used with respect to any Bond to be redeemed, shall mean the price at which it is to be redeemed pursuant hereto;

Responsible Officer: when used with respect to the Trustee, shall mean the President, any Vice President or Assistant Vice President, any Trust Officer or Assistant Trust Officer or any other officer of the Trustee customarily performing functions similar to those performed by the above designated officers, and authorized to undertake the action required or permitted herein;

Revenues: for any period the sum of (a) all operating and non-operating revenues of the Hospital, including Contributions and gross patient service revenues less contractual allowances and provisions for free care and discounted care if such amounts are initially includible as operating revenues, (b) other operating revenues, and (c) other non-operating revenues, all as determined in accordance with generally accepted accounting principles; provided that for purposes of satisfying coverage requirements hereunder, "Revenues" shall not take into account any extraordinary or non-recurring items and any unrealized gains arising from periodic valuation of interest rates;

Series 2006 Bonds: the Hospital Revenue Bonds, Series 2006, issued pursuant to the Original Indenture and refunded with the proceeds of the Series 2016A Bond;

Series 2015B Bond: the Hospital Revenue Bond, Series 2015B, in the original principal amount of \$8,405,000, issued pursuant to this Indenture in substantially the form set forth in **Exhibit B**;

Series 2015B Original Purchaser: the original purchaser of the Series 2015B Bonds is Cedar Rapids Bank & Trust, Cedar Rapids, Iowa;

Series 2016 Bonds: collectively the Series 2016A Bond and the Series 2016B Bond;

Series 2016A Bond: the Hospital Revenue Refunding Bond, Series 2016A, in the original principal amount of \$22,375,000, to be issued pursuant to the provisions of this Indenture in substantially the form set forth in **Exhibit C**;

Series 2016A Original Purchaser: the original purchaser of the Series 2016A Bonds is TCF Investments Management, Inc., a Minnesota corporation;

Series 2016B Bond: the Hospital Revenue Bond, Series 2016B, in the original principal amount of \$2,625,000, to be issued pursuant to the provisions of this Indenture in substantially the form set forth in **Exhibit D**;

Series 2016B Original Purchaser: the original purchaser of the Series 2016B Bond is The First National Bank of Northfield, Northfield, Minnesota;

Stated Maturity: when used with respect to any Bond or installment of interest thereon, shall mean the date specified in such Bond as the fixed date on which principal of such Bond or such installment of interest is due and payable;

Trust Estate: the property and funds described in the granting clauses of this Indenture, including the Trust Funds (other than the Rebate Fund);

Trust Funds: the trust accounts created in the Indenture, designated the Construction Fund, the Bond Fund, the Property Insurance and Award Fund and the Rebate Fund;

Trustee: Wells Fargo Bank, National Association in Minneapolis, Minnesota or any successor trustee appointed, qualified and acting as such under the provisions of this Indenture;

Section 1.02 Compliance Certificates and Opinions. Upon any application or request by the City to the Trustee to take any action under any provision of this Indenture, the City shall furnish to the Trustee an Official's Certificate stating that all conditions precedent, if any, provided for in this Indenture relating to the proposed action have been complied with and an Opinion of Counsel stating that in the opinion of such Counsel all such conditions precedent, if any, have been complied with, except that in the case of any such application or request as to which the furnishing of a City's Certificate and an Opinion of Counsel is specifically required by any provision of this Indenture relating to such particular application or request, no additional certificate or opinion need be furnished.

Every certificate or opinion with respect to compliance with a condition or covenant provided for in this Indenture shall include:

- (1) a statement that each individual signing such certificate or opinion has read such covenant or condition and the definitions herein relating thereto;
- (2) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based;
- (3) a statement that, in the opinion of each such individual, he has made such examination or investigation as is necessary to enable him to express an informed opinion as to whether or not such covenant or condition has been complied with;
- (4) a statement as to whether, in the opinion of each such individual, such condition or covenant has been complied with.

Section 1.03 Form of Documents Delivered to Trustee. In any case where several matters are required to be certified by, or covered by an opinion of, any specified Person, it is not necessary that all such matters be certified by, or covered by the opinion of, only one such Person, or that they be so certified or covered by only one document, but one such Person may certify or give an opinion with respect to some matters and one or more other such Persons as to other matters, and any such Person may certify or give an opinion as to such matters in one or several documents.

Any certificate or opinion of an official of the City may be based, insofar as it relates to legal matters, upon a certificate or opinion of, or representations by, counsel, unless such official or officer knows, or in the exercise of reasonable care should know, that the certificate or opinion or representations with respect to the matters upon which his certificate or opinion is based are erroneous. Any Opinion of Counsel may be based, insofar as it relates to factual matters, upon a certificate or opinion of, or representations by, an official or officials of the City stating that the information with respect to such factual matters is in the possession of the City, unless such counsel knows, or in the exercise of reasonable care should know, that the certificate or opinion or representations with respect to such matters are erroneous.

Where any Person is required to make, give or execute two or more applications, requests, consents, certificates, statements, opinions or other instruments under this Indenture, they may, but need not, be consolidated and form one instrument.

An “application” for the authentication and delivery of Bonds, or the release of property, or the withdrawal of cash, under any provision of this Indenture, shall consist of, and shall not be deemed complete until the Trustee shall have been furnished with, all such documents, cash, Bonds, securities and other instruments as are required by such provision to establish the right of the City to the transaction applied for, and the date of such application shall be deemed to be the date upon which such application shall be so completed.

Wherever in this Indenture, in connection with any application or certificate or report to the Trustee, it is provided that the City shall deliver any document as a condition of the

granting of such application, or as evidence of the City's compliance with any term hereof, it is intended that the truth and accuracy, at the time of the granting of such application or at the effective date of such certificate or report (as the case may be), of the facts and opinions stated in such document shall in such case be conditions precedent to the right of the City to have such application granted or to the sufficiency of such certificate or report.

Section 1.04 Acts of Bondholders.

A. Any request, demand, authorization, direction, notice, consent, waiver or other action provided by this Indenture to be given or taken by Bondholders may be embodied in and evidenced by one or more instruments of substantially similar tenor signed by such Bondholders in person or by agent duly appointed in writing; and, except as herein otherwise expressly provided, such action shall become effective when such instrument or instruments are delivered to the Trustee, and, where it is hereby expressly required, to the City. Such instrument or instruments (and the action embodied therein and evidenced thereby) are herein sometimes referred to as the "Act" of the Bondholders signing such instrument or instruments. Proof of execution of any such instrument or of a writing appointing any such agent shall be sufficient for any purpose of this Indenture and (subject to Section 3.10 hereof) conclusive in favor of the Trustee and the City if made in the manner provided in this Section 1.04.

B. The fact and date of the execution by any person of any such instrument or writing may be proved by the affidavit of a witness of such execution or by the certificate of any notary public or other officer authorized by law to take acknowledgments of deeds, certifying that the individual signing such instrument or writing acknowledged to him the execution thereof. Where such execution is by an officer of a corporation or a member of a partnership, on behalf of such corporation or partnership, such certificate or affidavit shall also constitute sufficient proof of his authority. The fact and date of the execution of any such instrument or writing, or the authority of the persons executing the same, may also be proved in any other manner which the Trustee deems sufficient.

C. The ownership of Bonds shall be proved by the Bond Register.

D. Any request, demand, authorization, direction, notice, consent, waiver or other action by the Holder of any Bond shall bind every future Holder of the same Bond and the Holder of every Bond issued upon the transfer thereof or in exchange therefor or in lieu thereof, in respect of anything done or suffered to be done by the Trustee, the City in reliance thereon, whether or not notation of such action is made upon such Bond.

Section 1.05 Notices, etc. to Trustee and City. Any request, demand, authorization, direction, notice, consent, waiver or Act of Bondholders or other document provided or permitted by this Indenture shall be sufficient for any purpose under this Indenture and shall be deemed given when mailed certified mail, return receipt requested, postage prepaid (except as otherwise provided in this Indenture), at the following addresses (or such other address as may be provided by any party by notice or in a supplement to this Indenture with respect to any Original Purchaser of any Additional Bonds):

To the City:	City of Northfield City Hall 801 Washington Street Northfield, MN 55057-2598 Attn: City Administrator
With a copy to:	Northfield City Hospital 801 West First Street Northfield, MN 55057 Attn: Hospital Administrator
To the Trustee:	Wells Fargo Bank, National Association 600 S 4th St. MAC N9300-060 Minneapolis, MN 55479 Attn: Corporation Trust Department
To the 2015B Original Purchaser:	Cedar Rapids Bank and Trust Company 500 1st Ave NE Cedar Rapids, IA 52401 Attn: Mitch McElree, EVP
To the 2016A Original Purchaser:	TCF Investments Management, Inc. c/o TCF National Bank 11100 Wayzata Boulevard, Suite 600 Minnetonka, MN 55305 Attention: Andy Claar
To the 2016B Original Purchaser:	The First National Bank of Northfield 329 Division Street Northfield, MN 5557 Attn: John Larson

Section 1.06 Notices to Bondholders; Waiver. Where this Indenture provides for notice to Bondholders 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 Holder of such Bonds at his address as it appears on the Bond Register, not later than the latest date, and not earlier than the earliest date, prescribed for the mailing of such notice. Waivers of notice by Bondholders 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 1.07 Effect of Headings and Table of Contents. The Article and Section headings herein and the Table of Contents are for convenience only and shall not affect the construction hereof.

Section 1.08 Successors and Assigns. All covenants and agreements in this Indenture by the City shall bind their successors, whether so expressed or not.

Section 1.09 Separability Clause. In case any provision in this Indenture or in the Bonds shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Section 1.10 Execution and Counterparts. This Indenture may be executed in any number of counterparts. All such counterparts shall be deemed to be originals and shall together constitute one and the same instrument.

Section 1.11 Construction. This Indenture shall be construed in accordance with the laws of the State of Minnesota.

Section 1.12 Benefit of Indenture. Nothing in this Indenture or in the Bonds, express or implied, shall give to any Person, other than the parties hereto and their successors hereunder, any separate trustee or co-trustee appointed under Section 10.12 hereof, the City, and the Holders of Bonds, any benefit or other legal or equitable right, remedy or claim under this Indenture.

Section 1.13 Limitation of Liability. Nothing in this Indenture or in the Bonds, express or implied, shall impose upon, or give rise to, a pecuniary liability of the City or a charge upon its general credit or taxing powers. In entering into this Indenture, the City has not obligated itself, except with respect to the application of the Net Revenues of the Hospital, the Net Proceeds of insurance or condemnation awards, and the proceeds from the issuance and sale of the Bonds. It is specifically recognized that the obligations of the City under this Indenture, to the extent involving any monetary cost, are to be performed only out of the above described revenues or from the disposition of the property subject to the lien of this Indenture upon default by the City under this Indenture or the Ground Lease.

ARTICLE II

BOND FORMS

Section 2.01 Forms Generally. The Series 2015B Bond, the Series 2016A Bond and the Series 2016B Bond and the Trustee's certificates of authentication shall be in substantially the forms set forth in **Exhibit B**, **Exhibit C**, and **Exhibit D** hereto, respectively, with such appropriate insertions, omissions, substitutions and other variations as are required or permitted by this Indenture, and may have such letters, numbers or other marks of identification and such legends or endorsements placed thereon as may be required to comply with the Act or any other applicable state or federal law, or as may, consistently herewith, be determined by the officials of the City executing such Bonds, as evidenced by their execution of the Bonds. Any part of the text of any Bonds may be set forth on the reverse side thereof with an appropriate reference thereto on the face of the Bond.

The definitive Bonds shall be typewritten, printed, lithographed or engraved or produced by any combination of these methods on steel engraved or lithographed borders or may be produced in any other manner permitted by the rules of any securities exchange, all as determined by the officials of the City executing such Bonds, as evidenced by their execution of such Bonds.

Section 2.02 Book Entry Only System. This Section 2.02 does not apply to the Series 2015B Bond, Series 2016A Bond or Series 2016B Bond. Additional Bonds may be issued in book entry form as provided in a supplement to this Indenture with respect to any such Additional Bonds.

Section 2.03 Termination of Book-Entry Only System. Discontinuance of a particular securities depository's services and termination of the book-entry only system may be effected with respect to any Additional Bonds originally issued in book entry form as provided in a supplement to this Indenture with respect to any such Additional Bonds.

Section 2.04 Letter of Representations. The provisions in the Letter of Representations to the depository required by the depository as a condition to its acting as book-entry depository for Additional Bonds (said Letter of Representations, together with any replacement thereof or amendment or substitute thereto, including any standard procedures or policies referenced therein or applicable thereto respecting the procedures and other matters relating to the depository's role as book-entry depository for the Additional Bonds, collectively hereinafter referred to as the "Letter of Representations") are incorporated herein by reference and made a part of this Indenture with respect to any Additional Bonds issued in book entry form, and if and to the extent any such provisions are inconsistent with the other provisions of this Indenture, the provisions in the Letter of Representations shall control with respect to any Additional Bonds originally issued in book entry form. This Section 2.04 does not apply to the Series 2015B Bond, Series 2016A Bond or Series 2016B Bond.

ARTICLE III

THE BONDS

Section 3.01 General Title. The general title of the Bonds of all series shall be “Hospital Revenue Bonds”.

Section 3.02 General Limitations. The aggregate principal amount of Bonds that may be authenticated and delivered and Outstanding under this Indenture is not limited, except as provided in Articles IV and V hereof and except as may be limited by law.

The Bonds may be issued in series as from time to time authorized by the City Council.

The Bonds are special limited obligations of the City. Principal of, premium, if any, and interest on the Bonds are payable solely out of the Net Revenues of the Hospital (other than to the extent payable out of proceeds of the Bonds, insurance proceeds or condemnation awards, or amounts derived pursuant to any Collateral Document or from the sale or other disposition of the property subject to the lien of this Indenture and any Collateral Document). The State of Minnesota and the Counties of Rice and Dakota shall not in any event be liable for the payment of the principal of, premium, if any, or interest on the Bonds or for the performance of any pledge, obligation or agreement of any kind whatsoever that may be undertaken by the City. Neither the Bonds nor any of the agreements or obligations of the City contained herein shall be construed to constitute an indebtedness of the State of Minnesota, the Counties of Rice and Dakota or the City within the meaning of any constitutional or statutory provisions whatsoever.

With respect to the Bonds of any particular series, the City may incorporate in or add to the general title of such Bonds any words, letters or figures designed to distinguish that series.

If the Stated Maturity for the payment of any interest on or principal of any Bond or if any Redemption Date shall not be a Business Day, then such payment may be made on the next succeeding Business Day, with the same force and effect as if made on the Stated Maturity or Redemption Date, and without additional interest accruing thereon for the period after such Stated Maturity or Redemption Date (whether or not such next succeeding Business Day occurs in a succeeding month).

Section 3.03 Terms of Particular Series. Each series of Bonds (except the Series 2015B Bond and the Series 2016 Bonds, which are created by Article IV hereof) shall be created by a Supplemental Indenture authorized by a City Resolution. The Bonds of each series (other than the Series 2015B Bond and the Series 2016 Bonds, as to which specific provision is made in this instrument) shall bear such date or dates, shall be payable at such place or places, shall have such Stated Maturities and Redemption Dates, shall bear interest at such rate or rates, from such date or dates, payable in such installments and on such dates and at such place or places, and may be redeemable at such price or prices and upon such terms (in addition to the prices and

terms herein specified for redemption of all Bonds) as such shall be provided for in the Supplemental Indenture creating that series. The City may, at the time of the creation of any series of Bonds or at any time thereafter, make, and the Bonds of that series may contain, provision for:

- A. a sinking, amortization, improvement or other analogous fund;
- B. limiting the aggregate principal amount of the Bonds of that series; and/or
- C. exchanging Bonds of that series, at the option of the Holders thereof, for other Bonds of the same series of the same aggregate principal amount of a different authorized kind and/or authorized denomination or denominations; all upon such terms as the City Council may determine. All Bonds of the same series shall be substantially identical except as to denomination interest rates, Stated Maturities and redemption provisions.

Section 3.04 Form and Denominations. The form of the Bonds of each series (other than the Series 2015B Bond and the Series 2016 Bonds, as to which specific provisions are made in this instrument) shall be established by the provisions of the Supplemental Indenture creating such series. The Bonds of each series shall be distinguished from the Bonds of other series in such manner as the City Council may determine.

The Bonds of any series may be issuable only as fully registered Bonds.

The Bonds of each series shall be issuable in such denominations as shall be provided in the provisions of the Supplemental Indenture creating such series (other than the Series 2015B Bond and the Series 2016 Bonds, as to which specific provisions are made in this instrument). In the absence of any such provision with respect to the Bonds of any particular series, the Bonds of such series shall be in Authorized Denominations.

Section 3.05 Execution, Authentication and Delivery. Each Bond shall be executed on behalf of the City by the officials of the City specified in a City Resolution. The signature of any of these officials may be manual or facsimile, if permitted by applicable law.

Bonds bearing the manual or facsimile signatures of individuals who were at the time of execution thereof the proper officials of the City shall bind the City, notwithstanding that such individuals or any of them have ceased to hold such offices prior to the authentication and delivery of such Bonds or did not hold such offices at the date of such Bonds.

At any time and from time to time after the execution and delivery of this Indenture, the City may deliver Bonds executed by the proper officials of the City to the Trustee for authentication; and the Trustee shall authenticate and deliver such Bonds as in this Indenture provided and not otherwise.

No Bond shall be secured by, or entitled to any lien, right or benefit under, this Indenture or be valid or obligatory for any purpose, unless there appears on such Bond a certificate of authentication substantially in the form provided for herein executed by a Responsible Officer of the Trustee by manual signature, and such certificate upon any Bond shall

be conclusive evidence, and the only evidence, that such Bond has been duly authenticated and delivered hereunder.

Section 3.06 Registration, Transfer and Exchange. The City shall cause to be kept at the principal corporate trust office of the Trustee a Bond Register in which, subject to such reasonable regulations as it may prescribe, the City shall provide for the registration of Bonds of all series and of transfers of Bonds of all series entitled to be registered or transferred as herein or in a Supplemental Indenture provided. The Trustee is hereby appointed “Bond Registrar” for the purpose of registering Bonds and transfers of Bonds as herein provided.

Upon surrender for transfer of any Bond at the office of the Bond Registrar, the City shall execute, and the Trustee shall authenticate and deliver, in the name of the designated transferee or transferees, one or more new Bonds of the same series, of any authorized denomination or denominations, of like aggregate principal amount and having the same Stated Maturity and interest rate.

All Bonds surrendered upon any exchange or transfer provided for in this Indenture shall be promptly canceled by the Trustee and thereafter disposed in a manner deemed appropriate by the Trustee.

All Bonds issued upon any transfer or exchange of Bonds shall be the valid obligations of the City evidencing the same debt, and entitled to the same security and benefits under this Indenture, as the Bonds surrendered upon such transfer or exchange.

Every Bond presented or surrendered for transfer, exchange or discharge from registration shall (unless the requirement is waived by the City and the Trustee) be duly endorsed, or be accompanied by a written instrument of transfer in form satisfactory to the City and the Bond Registrar duly executed by, the Holder thereof or his attorney duly authorized in writing.

No service charge shall be made for any registration, discharge from registration, transfer or exchange herein provided for, but the City may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of the Bonds.

The City shall not be required (i) to issue, transfer or exchange any Bond for a period beginning on the 15th day of the month immediately preceding any Interest Payment Date relating to that Bond and continuing until said Interest Payment Date, or (ii) to issue, transfer or exchange any Bond of any series during a period beginning at the opening of business 15 days before any selection under Section 14.03 hereof of Bonds of that series and maturity for redemption and ending at the close of business on the day of the first mailing of the relevant notice of redemption, or (iii) to transfer or exchange any Bonds selected for redemption in whole or in part.

Section 3.07 Mutilated, Destroyed, Lost and Stolen Bonds. If (i) any mutilated Bond is surrendered to the Trustee, or the City and the Trustee receive evidence to their satisfaction of the destruction, loss or theft of any Bond, and (ii) there is evidenced to the City 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 City or the Trustee that such Bond has been acquired by a bona fide purchaser, the City shall execute and upon its request the Trustee shall authenticate and deliver, in exchange for or in lieu of such mutilated, destroyed, lost or stolen Bond, a new Bond of the same series and of like tenor, principal amount, Stated Maturity and interest rate.

In case any such mutilated, destroyed, lost or stolen Bond has become or is about to become due and payable, the City in its discretion may, instead of issuing a new Bond, pay such Bond.

Upon the issuance of any new Bond under this Section 3.07, the City may require the payment 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 Bond issued pursuant to this Section 3.07 in lieu of any destroyed, lost or stolen Bond shall constitute an original additional contractual obligation of the City, whether or not the destroyed, lost or stolen Bond shall be at any time enforceable by anyone, and shall be entitled to all the benefits of this Indenture equally and proportionately with any and all other Bonds hereby secured.

The provisions of this Section 3.07 are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement or payment of mutilated, destroyed, lost or stolen Bonds.

Section 3.08 Dating of Bonds. Each Bond delivered under this Indenture shall be dated by the Trustee as of the date of its authentication or its nominal date of issue.

Section 3.09 Persons Deemed Owners. The City, the Trustee and any other agent of the City may treat the person in whose name any Bond is registered as the owner of such Bond for the purpose of receiving payment of principal of (and premium, if any), and interest on, such Bond and for all other purposes whatsoever whether or not such Bond be overdue, and neither the City, the Trustee nor any other agent of the City shall be affected by notice to the contrary.

Section 3.10 Cancellation. All Bonds surrendered for payment, redemption, transfer or exchange, if surrendered to the Trustee, shall be promptly cancelled by it, and, if surrendered to any Person other than the Trustee, shall be delivered to the Trustee and, if not already cancelled, shall be promptly cancelled by it. The City may at any time deliver to the Trustee for cancellation any Bonds previously authenticated and delivered hereunder, which the City may have acquired in any manner whatsoever, and all Bonds so delivered shall be promptly cancelled by the Trustee. All cancelled Bonds shall be destroyed in a manner deemed appropriate by the Trustee.

Section 3.11 Paying Agent. The Trustee shall be the paying agent for all series of Bonds issued pursuant to this Indenture.

ARTICLE IV

THE SERIES 2015B BOND AND THE SERIES 2016 BONDS

Section 4.01 Specific Title and Terms. There is hereby created and there shall be three initial series of Bonds entitled “City of Northfield, Minnesota, Hospital Revenue Bond, Series 2015B”, “City of Northfield, Minnesota, Hospital Revenue Refunding Bond, Series 2016A” and “City of Northfield, Minnesota, Hospital Revenue Bond, Series 2016B.”

The aggregate principal amount of the Series 2015B Bond that may be authenticated and delivered and Outstanding under this Indenture is limited to and shall not exceed \$8,405,000. The aggregate principal amount of the Series 2016A Bond that may be authenticated and delivered and Outstanding under this Indenture is limited to and shall not exceed \$22,375,000. The aggregate principal amount of the Series 2016B Bond that may be authenticated and delivered and Outstanding under this Indenture is limited to and shall not exceed \$2,625,000.

The Series 2015B Bond may be issued only as a typewritten fully registered Bond in the denomination of its entire principal amount and shall mature on November 1, 2025. The Series 2015B Bond shall bear interest at the rate and on the dates set forth in the form thereof attached hereto as **Exhibit B**.

The Series 2016A Bond may be issued only as a typewritten fully registered Bond in the denomination of its entire principal amount and shall mature on August 1, 2031. The Series 2016A Bond shall bear interest at the rate and on the dates set forth in the form thereof attached hereto as **Exhibit C**.

The Series 2016B Bond may be issued only as a typewritten fully registered Bond in the denomination of its entire principal amount and shall mature on August 1, 2031. The Series 2016B Bond shall bear interest at the rate and on the dates set forth in the form thereof attached hereto as **Exhibit D**.

Interest on the Series 2015B Bond and the Series 2016 Bonds shall be computed on the basis of a 360-day year of twelve 30-day months.

The Series 2015B Bond and the Series 2016 Bonds shall bear a date of their original issuance.

The principal of and premium, if any, and interest on the Series 2015B Bond and the Series 2016 Bonds shall be payable by check or draft drawn upon the Trustee and mailed on the applicable Interest Payment Date to the Bondholder of record in the Bond Register as of the close of business on the 15th day (whether or not a business day) of the calendar month immediately preceding each applicable Interest Payment Date for the Series 2015B Bond and the Series 2016 Bonds at the address of such Holder as it appears on the Bond Register without presentment; provided that, upon written request to the Trustee not later than the 15th day of the calendar month preceding the applicable Interest Payment Date by any of the Holders of the

Series 2015B Bond or the Series 2016 Bonds, interest will be paid by wire transfer to an account of such Holder within the United States specified in such written request.

Section 4.02 Optional and Mandatory Redemption.

(a) Series 2015B Optional Redemption. The Series 2015B Bond is subject to redemption and prepayment by the City, in whole or in part, at the option of the City, on November 1, 2020, or any date thereafter, upon 30 days' prior written notice to the Trustee and the Holder thereof, without premium, at a price of par plus accrued interest, without premium.

(b) Series 2016 Optional Redemption. The Series 2016 Bonds are subject to optional prepayment as set forth therein.

(c) Calamity. The Bonds are subject to redemption at the option of the City prior to maturity in whole on any date, upon 30 days' prior written notice to the Trustee and the Holders thereof, at a price equal to the principal amount thereof plus accrued interest to the date of redemption upon the occurrence of any of the following events: (1) the Hospital Facilities shall have been damaged or destroyed to such extent that, in the reasonable opinion of the City, the completion time for repair and restoration thereof will exceed 6 months, or (2) there occurs the condemnation of all or substantially all of the Hospital Facilities or the taking by eminent domain of such use or control of the Hospital Facilities so as to render the Hospital Facilities unsatisfactory for their intended use for a period of at least 90 days.

(d) The provisions of Article XIV of the Indenture do not apply to the Series 2015B Bond or the Series 2016 Bonds.

Section 4.03 Authentication and Delivery of Series 2016 Bonds. The Series 2015B Bond has been authenticated and delivered by the Trustee in accordance with the Original Indenture. The Series 2016 Bonds may forthwith upon the execution and delivery of this Indenture, or from time to time thereafter, be executed by the proper officials of the City and delivered to the Trustee for authentication, and shall thereupon be authenticated and delivered by the Trustee, but only upon receipt by the Trustee of the following:

(a) a copy of the City Resolution or Resolutions adopted and approved by the City Council authorizing the execution and delivery of this Indenture and the issuance and sale of the Series 2016 Bonds;

(b) an original executed counterpart of this Indenture and the Ground Lease;
and

(c) a request and authorization to the Trustee on behalf of the City and signed by its Mayor or other official specified in a City Resolution, to authenticate and deliver the Series 2016 Bonds to the purchasers therein identified upon payment to the Trustee, but for the account of the City, of a sum specified in such request and authorization plus accrued interest thereon to the date of delivery. Such proceeds shall be paid over to the

Trustee or retained the City, as the case may be, and deposited as provided in Section 4.05 hereof.

Section 4.04 Deposit of Series 2015B Bond Proceeds. The City has deposited with the Trustee the net proceeds of the sale of the Series 2015B Bond as follows:

(a) to the credit of the Reserve Fund established pursuant to the Original Indenture the sum of \$840,500, provided, however, that upon defeasance in accordance with Article VIII of the Original Indenture in full of the principal of and interest on the Series 2006 Bonds on the date of issuance of the Series 2016 Bonds, the proceeds of the Series 2015B Bond deposited in the Reserve Fund shall be transferred to the Construction Fund; and

(b) to the credit of the Construction Fund the sum of \$7,564,500 (including \$114,869 for Costs of Issuance).

Section 4.05 Deposit of Series 2016 Bond Proceeds. (i) The City shall deposit with the Trustee the net proceeds of the sale of the Series 2016A Bond in the amount of \$22,291,093.75 as follows:

(a) to the credit of the Construction Fund the sum of \$237,039.57 to pay Costs of Issuance;

(b) to the credit of the Redemption Account (as defined in Section 4.06 hereof) the balance of such net proceeds (\$22,054,054.18).

(ii) The City shall deposit with the Trustee the net proceeds of the sale of the Series 2016B Bond in the amount of \$2,615,156.25 to the credit of the Construction Fund (which includes \$29,937.50 to pay Costs of Issuance).

Section 4.06 Redemption of Series 2006 Bond. The City shall deposit with the Trustee proceeds of the Series 2016A Bond in the amount set forth in Section 4.05(i)(b) together with \$2,375,001.03 transferred from the Reserve Fund established pursuant to the Original Indenture and \$1,103,851.04 transferred from the Revenue Bond Debt Service Account with respect to the Series 2006 Bonds for credit to a separate, special account hereby created and titled the "Redemption Account" to be held by the Trustee in accordance with Article VIII of the Original Indenture. The City hereby authorizes the Trustee to call for redemption and prepayment on November 1, 2016, the Series 2006 Bonds in accordance with the Notice of Call for Redemption attached hereto as **Exhibit E** or such other form of notice as is prepared by the Trustee. The Trustee agrees, as the paying agent for the Series 2006 Bonds, to pay from the Redemption Account the outstanding principal of and accrued interest on the Series 2006 Bonds on November 1, 2016. Pending such use, sums in the Redemption Account will be invested in the Wells Fargo Advantage 100% Treasury Money Market Fund CUSIP 94988A759. Any sums remaining in the Redemption Account after payment in full of the Series 2006 Bond shall be transferred to the Surplus Net Revenues Account as described in Section 6.02. D. hereof.

ARTICLE V

AUTHENTICATION AND DELIVERY OF ADDITIONAL BONDS

Section 5.01 General Provisions. In addition to the principal amount of the Series 2015B and the Series 2016 Bonds, whose authentication and delivery is provided for in Article IV hereof, Additional Bonds may at any time and from time to time be executed by the appropriate officials of the City and delivered to the Trustee for authentication, but only if the City shall, in its discretion, deem it advisable, and thereupon the same shall be authenticated and delivered by the Trustee upon the basis permitted by, and upon compliance with the conditions of, Section 5.02 hereof, whichever may be applicable, and upon receipt by the Trustee of the following:

A. An Opinion of Bond Counsel:

(1) stating that all conditions precedent provided for in this Indenture relating to the issuance, authentication and delivery of such Additional Bonds have been complied with, including any conditions precedent specified in Sections 5.02;

(2) stating that the series of Additional Bonds whose authentication and delivery are then applied for, when issued and executed by the City and authenticated and delivered by the Trustee, will be the valid and binding special obligations of the City in accordance with their terms and entitled to the benefits of and secured by the lien of this Indenture equally and ratably with all Outstanding Bonds; and

(3) stating that the issuance of such Additional Bonds will not affect the tax exempt nature for federal income tax purposes of the tax exempt Bonds then Outstanding;

B. An executed counterpart of the Supplemental Indenture creating such Additional Bonds, which Supplemental Indenture shall subject to the lien thereof any additional property acquired or to be acquired from the proceeds of the Additional Bonds; and

C. A copy of the City Resolution or Resolutions authorizing the execution and delivery of the Supplemental Indenture, and approving the sale of such series of Additional Bonds.

Any Additional Bonds shall be dated, shall bear interest at a rate or rates not exceeding the maximum rate, if any, permitted by law, shall have Stated Maturities, and may be subject to redemption prior to their Stated Maturities at such times and prices and on such terms and conditions (in addition to those specified in Article XIV hereof), all as may be provided by the Supplemental Indenture authorizing their issuance. All Additional Bonds shall be payable and secured equally and ratably and on a parity with the Series 2015B and the Series 2016 Bonds

and any parity Additional Bonds theretofore issued, entitled to the same benefits and security of this Indenture.

The City may issue Additional Bonds in amounts which are sufficient, in addition to paying the cost of accomplishing one or more of the purposes specified in Section 5.02 hereof, to pay the costs of issuing such Additional Bonds, and to fund interest payable on such Additional Bonds for a period of time not to exceed six (6) months beyond the completion of any Improvements financed with the proceeds thereof.

Section 5.02 Conditions to Issue of Additional Bonds

(1) The Bonds issued hereunder shall be secured by a first charge and lien upon the Net Revenues of the Hospital. No Additional Indebtedness shall be hereafter issued unless it is either (i) not secured by a lien on said Net Revenues (or any portion thereof), or (ii) secured by a lien on said Net Revenues made expressly subject and subordinate to the lien upon said Net Revenues securing all Parity Debt; provided however, that Additional Indebtedness may be issued on a parity of lien with the Parity Debt so long as either:

(a) the annual Income Available for Debt Service for each of the two most recent completed Fiscal Years for which audits have been completed which immediately precede the issuance of such Additional Bonds shall have been at least 125% of the Maximum Annual Principal and Interest Requirements of all Parity Debt, including the Additional Indebtedness proposed to be issued to become due in any Fiscal Year, such facts shall be shown by the Certificate of the Chief Financial Officer of the Hospital and recited in the resolution of the City authorizing any such Additional Bonds; or

(b) a written report of an Independent Accountant stating that the estimated annual Income Available for Debt Service (including those to be derived from the improvements) for each of the future two (2) Fiscal Years immediately following the Fiscal Year in which the improvements to be financed from the proceeds of such Additional Indebtedness are to be placed in service, are not less than 135% of the estimated Maximum Annual Principal and Interest Requirements of all Parity Debt (including such requirements for the Additional Indebtedness) for any subsequent Fiscal Year after the Fiscal Year in which it is estimated the improvements to be financed by the Additional Indebtedness are to be placed in service but not later than the final stated maturity date of the Bonds then Outstanding.

(2) In addition to the requirements of (1) above, the following conditions shall be met for purposes of issuing Additional Indebtedness as Parity Debt:

(a) The payments required to be made (at the time of the issuance of such Parity Debt) into the various accounts provided for in the resolutions authorizing any Outstanding Parity Debt have been made.

(b) The proceeds of such Parity Debt shall be used only for the purpose of financing or refinancing improvements, additions, extensions, renewals or replacements to the Hospital.

(3) The City or the Board may issue or incur Additional Indebtedness as Parity Debt without complying with the requirements of (1) above, to repair, restore, or rebuild all or a portion of the Hospital damaged, destroyed or condemned, provided that all available Net Proceeds received from the damage, destruction or Condemnation of the Hospital are first utilized.

(4) No Additional Indebtedness shall be issued and secured by a lien on gross Revenues of the Hospital.

(5) No Additional Indebtedness shall be issued and secured by a lien on the Land or the City's leasehold interest therein unless all outstanding Bonds are also secured thereby and the Trustee has received an opinion of Bond Counsel that such lien will not adversely affect the tax exempt status of any tax exempt Bonds.

Section 5.03 Subordinate Lien Indebtedness; Refunding Bonds. Except as authorized in Section 5.02 hereof, the City covenants and agrees for itself and for the Board that they will not issue or incur any Additional Indebtedness payable from the Net Revenues of all or a part of the Hospital or constituting in any manner a lien thereon, unless such obligations either (a) are not secured by any security interest or lien on Net Revenues (or any portion thereof) or (b) are secured by a lien on such Net Revenues which is expressly made subject and subordinate to the lien and charge of the Parity Debt on the Net Revenues, except that the Parity Debt, or any part thereof, may be refunded and the refunding indebtedness issued shall enjoy complete equality of lien with the portion of any Parity Debt not refunded, if there are any, provided that if only a portion of the outstanding Parity Debt shall be so refunded and if such Parity Debt shall be refunded in such manner that the annual principal and interest to become due on the refunding Parity Debt shall be greater than the annual principal and interest to become due on the Parity Debt to be refunded (assuming payment at their maturity), then such Parity Debt may not be refunded without the consent of the holders of the unrefunded portion of the outstanding Parity Debt.

ARTICLE VI

APPLICATION OF TRUST MONEYS

Section 6.01 “Trust Moneys” Defined. All moneys received by the Trustee,

- A. upon the release of property from the lien of this Indenture, or
- B. as compensation for, or proceeds of sale of, any part of the Trust Estate taken by eminent domain or purchased by, or sold pursuant to an order of, a governmental authority or otherwise disposed of, or
- C. as proceeds of insurance upon any part of the Trust Estate, or
- D. as elsewhere herein provided to be held and applied under this Article VI, or required to be paid to the Trustee and whose disposition is not elsewhere herein otherwise specifically provided for, including, but not limited to the investment income of all Funds and accounts held by the Trustee under this Indenture (other than the Rebate Fund), or
- E. as proceeds from the sale of the Series 2015B Bonds, the Series 2016 Bonds and any Additional Bonds, including, but not limited to, moneys and/or Government Obligations received by the Trustee from the proceeds of Additional Bonds issued for refunding purposes.

(all such moneys being herein sometimes called “Trust Moneys”) shall be held by the Trustee as a part of the Trust Estate, and, upon the exercise by the Trustee of any remedy specified in Article IX hereof, such Trust Moneys shall be applied in accordance with Section 9.04 hereof, except to the extent that the Trustee is holding in trust moneys and/or Government Obligations for the payment of any specified series of Bonds which are no longer deemed to be Outstanding under the provisions of Article VIII hereof, which moneys and/or Government Obligations shall be applied only as provided in said Article VIII. Prior to the exercise of any such remedy, all or any part of the Trust Moneys shall be held, invested, withdrawn, paid or applied by the Trustee, from time to time, as provided in this Article VII and in Article VIII hereof.

Section 6.02 Hospital Fund. For the convenience and proper administration of the Revenues of the Hospital and for the payment of principal of and interest on the Bonds, the Hospital Fund (the “Fund”) previously established shall continue to be in effect, subject to the following accounts which are hereby established, retained, or renamed:

- A. Operation and Maintenance Account. An Operation and Maintenance Account, to be held by the Board as a separate account within the Fund, to which account shall be deposited all Revenues and from which shall be paid all Operating Expenses.
- B. Revenue Bond Debt Service Account. A special trust fund known as the “Revenue Bond Debt Service Account” or “Bond Fund” is hereby established to be held and maintained by the Trustee as provided in Section 6.04 hereof

C. General Obligation Debt Service Account. A special trust fund known as the “General Obligation Debt Service Account” to be re-established and held and maintained by the Trustee as provided in a supplement to this Indenture with respect to any General Obligation Bonds and the pledge of Net Revenues to such account shall be governed by Section 6.11 hereof and other applicable provisions hereof.

D. Surplus Net Revenues Account. A Surplus Net Revenues Account to be held by the Board and maintained as a separate account within the Fund, to which account shall be credited on the 25th of each and every month all Net Revenues in excess of the amounts then required to be deposited in the foregoing accounts. Sums in the Surplus Net Revenues Account may be used for any proper corporate purpose, including the payment of principal, interest and premium on any Additional Bonds not payable from any of the foregoing accounts; provided that if the next received Net Revenues are insufficient to satisfy any of the monthly requirements for any of the foregoing accounts, any sums in the Surplus Net Revenues Account shall be promptly applied to cure the deficiency.

Section 6.03 Construction Account. The City has established with the Trustee the Construction Account, to which there have been or shall be credited the proceeds of the sale of the Bonds as provided in Sections 4.04 and 4.05 hereof and as provided in any supplement to this Indenture with respect to any Additional Bonds. The Trustee shall disburse moneys in the Construction Account to the City to pay or reimburse the City for the payment of the Cost of the Project upon receipt of a Draw Request executed by the Board Representative in the form attached hereto as **Exhibit F**. From the Construction Account the City or the Board shall pay all Costs of the Project and the costs of issuance of the Bonds. Any balance remaining in the Construction Account after completion of the Project and payment of costs of issuance of the Bonds shall be transferred by the Trustee to the Bond Fund herein established on a pro rata basis to each account for Bonds the proceeds of which were used to fund the Construction Account.

Section 6.04 Revenue Bond Debt Service Account. A special trust fund has been established with the Trustee and designated as the “Revenue Bond Debt Service Account” or “Bond Fund”. None of the proceeds of the Series 2015B Bond or the Series 2016 Bonds will initially be credited to this account. Except as more specifically described in (a) through (c) below, the City shall deposit with the Trustee for credit to the Revenue Bond Debt Service Account, from Net Revenues on a pro rata basis, on the 20th day of each and every month, an amount equal to not less than a one-month portion of the Principal and Interest Requirements to become due on the Bonds in the next 12 months. Each issue of Bonds and Additional Bonds hereafter issued shall be payable from a separate subaccount in the Bond Fund which shall be funded on a pro rata basis from Net Revenues in accordance with Sections 6.11 and 9.04 hereof. When the amounts on hand in the Bond Fund are sufficient for the payment of the Bonds and any other Additional Bonds hereafter issued and made payable from such subaccounts and the interest thereon to their respective maturity dates or their redemption dates for which irrevocable notice of call has been given, then no further deposits need be made to the Bond Fund. All interest income derived from the investment of funds on deposit in the Bond Fund shall be credited to the Bond Fund and allocated to each subaccount therein on a pro rata basis in accordance with Sections 6.11 and 9.04 hereof. On or before each Interest Payment Date, the

Trustee shall withdraw from the Bond Fund an amount sufficient to pay the principal of, if any, and interest, and redemption premium, if any, on the Bonds on each such Interest Payment Date.

(a) The City shall deposit with the Trustee for credit to a separate Series 2015B Bond Subaccount of the Revenue Bond Debt Service Account, from Net Revenues, on the 20th day of each and every month, commencing on January 20, 2016, an amount not less than (i) 1/6 of the interest to become due on the Series 2015B Bond on the next May 1 or November 1; provided that, on January 20, 2016 through and including April 20, 2016 the amount shall be equal to 1/4 of the interest to become due on May 1, 2016; and (ii) 1/12 of the principal to become due on the Series 2015B Bond on the next November 1; provided that, on January 20, 2016 through and including October 20, 2016 the amount shall be equal to 1/10 of the principal to become due on November 1, 2016. The Series 2015B Bond Subaccount of the Bond Fund shall be used only to pay interest and principal due on the Series 2015B Bond.

On or before each Interest Payment Date with respect to the Series 2015B Bond, the Trustee shall withdraw from the Series 2015B Bond Subaccount of the Bond Fund an amount sufficient to pay the principal of, interest on, and redemption premium, if any, on the Series 2015B Bond on each such Interest Payment Date.

If, upon the Completion Date, any amounts are transferred by the Trustee from the Construction Account to the Series 2015B Bond Subaccount of the Bond Fund in accordance with Section 6.03 hereof, said amount shall be set aside in a special escrow account and used to redeem the Series 2015B Bond on the first date upon which the Series 2015B Bond may be optionally redeemed in accordance with its terms. Pending such use, said funds shall be invested at the written direction of the Board Representative, provided that said funds shall not be invested at a yield in excess of the yield of the Series 2015B Bond, computed in accordance with Section 148 of the Code.

(b) The City shall deposit with the Trustee for credit to a separate Series 2016A Bond Subaccount of the Revenue Bond Debt Service Account, from Net Revenues, on the 20th day of each and every month, commencing on August 20, 2016, an amount not less than the monthly installment to become due on the Series 2016A Bond on the 1st day of the next month as set forth in the Series 2016A Bond. The Series 2016A Bond Subaccount of the Bond Fund shall be used only to pay interest and principal due on the Series 2016A Bond.

On or before each Interest Payment Date with respect to the Series 2016A Bond, the Trustee shall withdraw from the Series 2016A Bond Subaccount of the Bond Fund an amount sufficient to pay the principal of, interest on, and redemption premium, if any, on the Series 2016A Bond on each such Interest Payment Date.

(c) The City shall deposit with the Trustee for credit to a separate Series 2016B Bond Subaccount of the Revenue Bond Debt Service Account, from Net Revenues, on the 20th day of each and every month, commencing on August 20, 2016, an amount not less than the monthly installment to become due on the Series 2016B Bond on the 1st day of the next month as set forth in the Series 2016B Bond. The Series 2016B Bond Subaccount of the Bond Fund shall be used only to pay interest and principal due on the Series 2016B Bond.

On or before each Interest Payment Date with respect to the Series 2016B Bond, the Trustee shall withdraw from the Series 2016B Bond Subaccount of the Bond Fund an amount sufficient to pay the principal of, interest on, and redemption premium, if any, on the Series 2016B Bond on each such Interest Payment Date.

If, upon the Completion Date, any amounts are transferred by the Trustee from the Construction Account to the Series 2016B Bond Subaccount of the Bond Fund in accordance with Section 6.03 hereof, said amount shall be set aside in a special escrow account and used to redeem the Series 2016B Bond on the first date upon which the Series 2016B Bond may be optionally redeemed in accordance with its terms. Pending such use, said funds shall be invested at the written direction of the Board Representative, provided that said funds shall not be invested at a yield in excess of the yield of the Series 2016B Bond, computed in accordance with Section 148 of the Code.

Section 6.05 Fee Payments. The City covenants to pay directly to the Trustee when due its compensation and expenses. Such amounts shall not be treated or considered as Trust Money for any purpose of this Indenture and the Trustee may on its own behalf enforce such covenant against the City. The Trustee shall have a lien on all Trust Money, except the Rebate Fund, prior to the lien securing the Bonds for such costs and expenses as set forth in Section 9.04 hereof.

Section 6.06 Investments. Subject to the provisions of any law then in effect to the contrary, the Trustee shall invest all Trust Money on hand from time to time as specified in a City Request in Qualified Investments.

Qualified Investments shall be made so as to mature or be subject to redemption at the option of the holder thereof in the case of investments of moneys in any fund or account, on or prior to the date or dates that the City anticipates that money therefrom will be required. The Trustee may trade with itself or its affiliates in the purchase and sale of Qualified Investments and the Trustee shall not be liable or responsible for any loss resulting from any such investment or any other investment made pursuant to the provisions of this Section. Qualified Investments shall be registered (if required) in the name of the Trustee. The Trustee may invest in Qualified Investments through its own trust department and Trust Money may be deposited in time deposits or certificates of deposit issued by the Trustee or its affiliates.

The Trustee shall without further direction from the City sell Qualified Investments as and when required to make any payment for the purpose of which such investments are held.

For all purposes of this Indenture, Qualified Investments shall be valued every 6 months at their market value. The City and the Hospital acknowledge that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the City or the Hospital the right to receive brokerage confirmations of security transactions as they occur, the City and the Hospital specifically waive receipt of such confirmations to the extent permitted by law. The Trustee will furnish the City and the Hospital periodic cash transaction statements which include detail for all investment transactions made by the Trustee hereunder. No statement need be rendered for any fund or account if no activity occurred in such fund or

account during such month. The City and the Hospital may receive brokerage confirmations at no additional cost at their written request.

Section 6.07 Rebate Fund. A special trust fund is hereby established with the Trustee and designated as the “Rebate Fund.”

The Trustee shall make information regarding the Bonds and investments hereunder available to the City and shall make deposits into and disbursements from the Rebate Fund in accordance with the provisions of the City’s tax certificate with respect to the Bonds. The Rebate Fund is not part of the Trust Estate and does not secure the Bonds.

Section 6.08 Property Insurance and Award Fund. A special trust fund is hereby established with the Trustee and designated as the “Property Insurance and Award Fund.” In the event the Net Proceeds of any condemnation award or insurance award relating to condemnation, damage or destruction of the Project exceed \$500,000, the City shall deposit such Net Proceeds into the Property Insurance and Award Fund. Amounts on hand in the Property Insurance and Award Fund shall be disbursed by the Trustee to pay the cost of replacement, repair, reconstruction or restoration of the Project or transferred to the Bond Fund and used to redeem Bonds pursuant to Sections 4.02(c) and 14.08 (if applicable). Any amounts remaining in the Property Insurance and Award Fund after payment of all costs of replacement, repair, reconstruction, or restoration relating to the condemnation, damage or destruction to which such amounts relate, shall be transferred to the Bond Fund. All income realized from the investment of the Property Insurance and Award Fund shall be credited to the Property Insurance and Award Fund and used and applied as additional Net Proceeds. In the event the Net Proceeds are less than \$500,000, the City may apply the Net Proceeds either to rebuild or to repair a deficit in the Bond Fund as provided above.

Section 6.09 Qualified Investments. Subject to the provisions of any law then in effect to the contrary, the Trustee shall invest all Trust Moneys on hand from time to time as specified in a City Request in any of the following Qualified Investments: (i) Government Obligations; (ii) bonds, debentures, participation certificates or notes issued by any of the following: Bank for Cooperatives, Federal Financing Bank, Federal Land Banks, Federal Home Loan Banks, Federal Intermediate Credit Banks, Federal National Mortgage Association, Export-Import Bank of the United States, Farmer’s Home Administration, Federal Home Loan Mortgage Corporation or Government National Mortgage Association, or any other agency or corporation which has been or may hereafter be created by or pursuant to an Act of the Congress of the United States as an agency or instrumentality thereof; (iii) shares in an Investment Company registered under the Federal Investment Company Act of 1940 whose shares are registered under the Federal Securities Act of 1933 and whose only investments are Qualified Investments described in clause (i) or (ii) of this Section; (iv) certificates of deposit or time deposits with any banking or savings institution which is insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation, provided that such certificates of deposit or time deposits, if not insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation, are fully secured by Government Obligations, which Government Obligations are lodged with a bank or trust company as collateral security, or are deposits of a bank, trust company or domestic branch of a foreign bank organized and existing under the laws of the United States or any state thereof which at the time of investment is rated A

or better by Standard & Poor's Corporation or any other rating agency then maintaining a rating on the Bonds; (v) commercial paper of United States industrial corporations or United States direct issuers rated at the time of purchase in one of the two highest rating categories by Standard & Poor's Corporation or any other rating agency then maintaining a rating on the Bonds; or (vi) a written investment contract with or guaranteed by a bank, trust company or domestic branch of a foreign bank organized and existing under the laws of the United States or any state thereof which, at the time of entrance into such contract, is rated A or better by Standard & Poor's Corporation or any other rating agency then maintaining a rating on the Bonds.

Section 6.10 Trust Moneys: Use and Tax Treatment. All Trust Moneys shall be trust funds under the terms hereof and shall not be subject to lien or attachment of any creditor of the City or the Trustee. Such Trust Moneys shall be held in trust and applied in accordance with the provisions of this Indenture.

All Trust Moneys, for any legal, tax or other purpose, shall be considered funds of the City, although subject to the security interest of the Trustee imposed by this Indenture.

Section 6.11 Priority of Application of Net Revenues. The City covenants and agrees that in the event the available Net Revenues (including sums in the Surplus Net Revenues Account) are insufficient to make all the required deposits into the funds and accounts of the Hospital Fund set forth in Section 6.02 hereof, the Net Revenues shall be deposited in the following order of priority:

First, to the Revenue Bond Debt Service Account and any other debt service account or accounts from which any other Parity Debt is payable, based on the respective amounts then required to be deposited in said accounts; and

Second, to the General Obligation Bond Debt Service Account, if any.

ARTICLE VII

COVENANTS

Section 7.01 Pledge. The City represents, warrants, covenants and agrees that it has good right and lawful authority to pledge the Trust Estate as provided herein; and that the Trust Estate is free from any and all liens and encumbrances excepting only such as are Permitted Encumbrances, or have otherwise been disclosed to and accepted by the Trustee in writing.

Section 7.02 Enforceability. The City covenants and warrants that the Bonds, the Ground Lease, and this Indenture are valid and enforceable obligations of the City in accordance with the terms thereof and hereof; and that this Indenture does not, nor does the Ground Lease, nor does the performance or observance by the City of any of the matters or things in this Indenture or the Ground Lease provided for, contravene any covenant in any indenture or agreement affecting the City.

Section 7.03 Execution of Security Documents. The City shall, from time to time, within 15 days after request by the Trustee, execute, acknowledge and deliver any financing statement, renewal, affidavit, certificate, continuation statement or other document as the Trustee may request in order to perfect, preserve, continue, extend or maintain the security interest under, and the priority of, this Indenture as a first lien on the Trust Estate. The City shall pay any and all expenses incurred by the it pursuant to this Section and the City further agrees to pay to the Trustee upon demand all costs and expenses incurred by the Trustee in connection with the preparation, execution, recording, filing and refiling of any such instrument or document. However, neither a request so made by the Trustee nor the failure of the Trustee to make such a request shall be construed as a release of such property, or any part thereof, from the lien of this Indenture.

Section 7.04 Tax-Free Nature of Bonds. The City covenants and agrees for the benefit of the Bondholders that it will take no affirmative action which would result in loss of tax exemption of interest under Section 103(a) of the Code and the regulations promulgated thereunder on any Bonds issued as tax exempt obligations, nor will either use any of the proceeds received from the sale of the tax exempt Bonds, directly or indirectly, in any manner which would result in such Bonds being classified as arbitrage bonds within the meaning of Section 148 of the Code and the regulations promulgated and in effect thereunder.

Section 7.05 Sufficiency of Net Revenues. The City certifies that the Net Revenues are estimated to be sufficient in amount to pay when due the principal of and interest scheduled to become due on the Bonds, and the Net Revenues are hereby pledged to the Funds and accounts set forth in Article VI, and to the payment of the Bonds and shall be applied for that purpose, to the extent and in the manner herein required to assure payment of the principal and interest requirements of the Bonds as the same become due. Nothing contained herein shall be deemed to preclude the City or the Board from making further pledges and appropriations of the Net Revenues for the payment of other or Additional Bonds, provided that it has first been

determined by the City that the estimated Net Revenues will be sufficient in addition to all other payment sources, for the payment of the Bonds herein authorized, and such Additional Bonds, and any such pledge and appropriation of the Net Revenues may, if permitted under Sections 5.02 and 5.03 hereof, be made subordinate to, or on a parity with, the pledge and appropriation of Net Revenues herein made. Otherwise, any such pledge of Net Revenues shall be made subordinate to the pledge herein made to the payment of the Bonds.

Section 7.06 Payment of Principal and Interest. The City covenants for itself and on behalf of the Board that they will promptly pay or cause to be paid solely from Net Revenues of the Hospital and amounts in the Bond Fund (collectively, the “Pledged Funds”), the principal of, and premium, if any, and interest on every Bond at the place, on the dates and in the manner provided herein and in said Bond, according to their terms. The principal and interest are payable solely from certain Net Revenues and the Pledged Funds which are hereby specifically assigned and pledged to the payment thereof for the benefit of the Bondholders in the manner and to the extent herein specified.

Section 7.07 Performance of and Authority for Covenants. The City covenants for itself and on behalf of the Board that they will faithfully perform at all times any and all covenants, undertakings, stipulations and provisions contained in this Indenture, in any and every Bond executed, authenticated and delivered hereunder and in all proceedings of the City Council and the Board; that they are duly authorized under the Constitution, laws of the State of Minnesota and the City Charter, including particularly and without limitation the Act, to issue the Bonds authorized hereby, to assign and pledge the Net Revenues of the Hospital in the manner and to the extent herein set forth and to bind the City and the Board with respect to all covenants, undertakings, stipulations and provisions contained in this Indenture; that all actions on the part of the City and the Board for the issuance of the Bonds and the adoption, or concurrence in, the City Resolution have been duly and effectively taken; and that the Bonds in the hands of the Holders thereof are and will be valid and enforceable special obligations of the City according to the terms thereof.

Section 7.08 Operation and Maintenance of Hospital. The City covenants that the Board shall at all times operate or cause to be properly operated the Hospital as a revenue producing facility and in an efficient and economical manner, consistent with good business and operating practices; and the Board shall cause the Hospital to be maintained, preserved and kept in good repair, making repairs, replacements and renewals thereof as, in the judgment of the Board, are necessary.

Section 7.09 Rates and Charges.

A. Subject to applicable law, the City covenants that the Board will charge fees and rates for the Hospital Facilities and services and will exercise such skill and diligence as to provide Revenues from the Hospital, together with other available funds, sufficient to pay promptly its Principal and Interest Requirements and expenses of operation, maintenance and repair of the Hospital. To the extent permitted by law, the City will cause the Board to revise the rates, fees and charges as may be necessary or proper to comply with the provisions of this Section.

B. If in any Fiscal Year the Income Available for Debt Service is less than (a) 120% of the Principal and Interest Requirements of all Parity Debt during such Fiscal Year excluding any Balloon Indebtedness paid at maturity or refinanced in such Fiscal Year and (b) 100% of the Principal and Interest Requirements on all Indebtedness during such Fiscal Year excluding any Balloon Indebtedness paid at maturity or refinanced in such Fiscal Year, then the City will cause the Board to retain an Independent Management Consultant to make recommendations with respect to such rates, fees and charges and other matters relating to or affecting said Income Available for Debt Service; provided that the Board shall not be required to employ an Independent Management Consultant pursuant to this Section more often than once every year. The recommendations of the Independent Management Consultant shall be presented by the Independent Management Consultant in writing to the Board and City Council, and the City agrees to cause the Board to accept and follow the recommendations of the Independent Management Consultant, unless the Board delivers an opinion of Independent Counsel that compliance with a particular recommendation would violate a provision of law or regulation.

C. The City recognizes that while the Bonds are outstanding (i) the method or methods by which hospitals are paid for services may continue to change from time to time (e.g., third-party reimbursements or payments, required or accepted methods for structuring fees, rentals, rates and other charges, private and governmental insurance programs, federal and state regulatory laws and regulations) and (ii) other developments which are not now foreseeable may occur and substantially affect the financing and delivery of health care services. The Independent Management Consultant retained by the Board under this Section may recommend (with respect to the fees, rentals, rates or other charges and with respect to improvements or changes in the operations of or the services rendered by the Board) that either (i) no changes be made, or (ii) some change be made, even though such recommendation is not calculated to result in compliance with applicable provisions of this Indenture unless such provisions are amended, but such a recommendation may only be made if the Independent Management Consultant includes in its written report and recommendations a statement that, in its opinion, compliance with such recommendations will result in compliance with the provisions of this Section to the maximum extent feasible. If, by the terms of this Section, the Board is bound to follow such recommendations, then the City shall amend this Indenture to bring its provisions into conformity with such recommendations; provided that nothing herein shall be construed to excuse the City or Board from (a) the payment in timely manner of all the payments required by this Indenture as the same become due and payable, and (b) the requirement under this Section to employ an Independent Management Consultant.

Section 7.10 Possession of Hospital and Sale of Hospital Assets. The City covenants and agrees that it will not in any Fiscal Year sell, lease, transfer or otherwise dispose of Hospital Assets in an amount which, together with all other Hospital Assets transferred in such Fiscal Year, aggregates in excess of 5% of the total value of the Hospital Assets (calculated on the basis of the Book Value or, if the Board Representative so elects, on the basis of Current Value), except for transfers of Hospital Assets as follows:

(a) Transfers of Hospital Assets for fair and adequate consideration on terms no less favorable than would be obtained in a comparable arm's-length transaction.

(b) Transfers Hospital Assets to any Person if, in the reasonable judgment of the City, such Hospital Assets have, or within the next succeeding 24 calendar months is reasonably expected to, become inadequate, obsolete or worn out, or otherwise unsuitable, unprofitable, undesirable or unnecessary for the operation of the Hospital.

(c) Transfers to any Person if the Hospital Assets to be transferred is (i) not essential to the Hospital operations, (ii) transferred for fair and adequate consideration, and (iii) the proceeds of such transfer are used to acquire additional facilities, to repay the principal of Indebtedness, or otherwise used in a productive manner to the benefit of the Hospital operations.

(d) Transfers Hospital Assets in connection with as part of a merger, consolidation, sale or conveyance permitted by Section 7.16 hereof.

(e) Transfers Hospital Assets which consist of unrestricted Liquid Assets as a loan to any Person provided that (i) such loan is evidenced in writing and such loan bears interest at a reasonable interest rate, (ii) the Trustee receives an Officer's Certificate (A) stating that there is a reasonable expectation that such loan will be repaid in accordance with its terms, and (B) demonstrating that Income Available for Debt Service for each of the two Fiscal Years preceding the date of such loan (assuming such loan had been made at the beginning of such period and assuming that no payments were made on the loan), would have been at least 200% of the Principal and Interest Requirements for such Fiscal Years excluding any Balloon Indebtedness paid at maturity or refinanced in such Fiscal Year.

Notwithstanding the foregoing, the City shall not transfer, loan or otherwise dispose of Liquid Assets that would result in (i) in the aggregate, a loan or loans of more than 15% of all of the Hospital's Liquid Assets, or (ii) a reduction of the level of Liquid Assets of the Hospital below 60 Days Cash on Hand.

(f) Transfers of Hospital Assets to any Person, provided that prior to such transfer the Trustee receives an Officer's Certificate certifying that, immediately preceding the proposed disposition the Hospital could meet either of the following tests:

(i)(a) the Income Available for Debt Service for each of the two Fiscal Years preceding the date of such transfer, assuming such transfer were made at the beginning of such period, would have been at least 200% of the Principal and Interest Requirements excluding any Balloon Indebtedness paid at maturity or refinanced in such Fiscal Year, or (b) the Income Available for Debt Service for each of the two Fiscal Years preceding the date of such transfer, assuming such transfer were made at the beginning of such period, if less than 200% of Principal and Interest Requirements excluding any Balloon Indebtedness paid at maturity or refinanced in such Fiscal Year but at least 150% of Principal and Interest Requirements excluding any Balloon Indebtedness paid at maturity or refinanced in such Fiscal Year and would not have been reduced in either of such Fiscal Years by more than 35%; or

(ii) a report of an Independent Management Consultant (which report, including without limitation, the scope, form, substance and other aspects thereof are acceptable to the Trustee) (a) concluding that the transfer of such Hospital Assets will increase the Income Available for Debt Service for each of the two Fiscal Years succeeding the date of such transfer, or (b) containing an opinion of such Independent Management Consultant that federal, state or other applicable governmental laws or final regulations placing restrictions and limitations on the rates, fees and charges to be fixed, charged and collected by the Hospital for the use of its facilities or the services furnished by the Hospital have prevented the Hospital from generating Income Available for Debt Service during such Fiscal Year in an amount sufficient to meet any of the tests set forth in subparagraph (i) above, accompanied by a concurring Opinion of Counsel as to any conclusions of law supporting the opinion of such Independent Management Consultant; and the report of such Independent Management Consultant indicates that the rates charged by the Hospital are such that, in the opinion of the Independent Management Consultant, the Hospital has generated the maximum amount of Income Available for Debt Service reasonably practicable given such laws or regulations, but in no event less than 150% of Principal and Interest Requirements.

Any sale or disposal by the City of any Hospital Assets which are Real Property shall comply with the provisions of Section 15.5 of the City Charter which requires that any net cash proceeds received by the City on the disposition of such Real Property must be applied to retire any indebtedness issued by the City to finance such Real Property.

Section 7.11 Insurance. The City shall cause the Board to maintain, or cause to be maintained, insurance as follows:

A. Insurance, which may include one or more self-insurance programs, covering such risks and in such amounts as, in its judgment, are adequate to protect it and its properties and operations and as are, with respect to health care activities and properties, customary for health care providers of similar size and character. Such insurance policies may include fire insurance, insurance coverage of boilers and other selected machinery items, general liability insurance and property damage coverage, comprehensive automobile liability insurance, worker's compensation coverage, use and occupancy insurance covering all or a portion of the loss of operating revenues by reason of the total or partial interruption of health care services, professional liability insurance protecting against claims arising from any act or omission in the furnishing of health care services to any patient, and fidelity bonds on officers and employees of the City and Hospital who may have access to or custody of the Revenues of the Hospital.

B. The City shall cause the Board to utilize an Independent Insurance Consultant to review the insurance requirements of the Hospital from time to time (but not less frequently than once every 2 years). If the Independent Insurance Consultant makes recommendations for the change in any of the insurance coverage maintained by the Board, the Board shall change such coverage in accordance with such recommendations, subject to a good faith determination of the Board that such recommendations, in whole or in part, are in the best interests of the Hospital (it being understood that the Board need not change any coverage in accordance with such

recommendations if such Board determines the recommended coverage is unavailable or unreasonably expensive).

C. In lieu of maintaining the insurance coverage stated above, the Board shall have the right to adopt alternative risk management programs which the Board determines to be reasonable and in the best interests of the Hospital, including, without limitation, to self-insure in whole or in part, individually or in connection with other institutions or organizations, to participate in programs of captive insurance companies and/or to create and operate such captive insurance companies, to participate with other health care institutions in mutual or other cooperative insurance or other risk management programs, to participate in state or federal laws now or hereafter in existence limiting medical malpractice liability, or to establish or participate in other alternative risk management programs; all as may be approved, in writing, as reasonable and appropriate risk management by the insurance consultant and reviewed every year. Notwithstanding the foregoing the Board shall not self-insure for property or casualty insurance.

Section 7.12 Liens. The City will cause the Board to pay all utility charges, assessments and other charges arising from the operations of the Hospital which, if unpaid, would become a lien on the Hospital and will not permit any lien or encumbrance except Permitted Encumbrances to be established or to remain unsatisfied against the Hospital; provided that the Board may in good faith contest any liens filed or established against the Hospital, and in such event may permit the items so contested to remain undischarged and unsatisfied during the period of such contest and any appeal therefrom unless by nonpayment of any such items the Hospital or any part thereof will be subject to loss or forfeiture, in which event the City shall promptly pay and cause to be satisfied and discharged all such unpaid items. With respect to special assessments or other governmental charges that may lawfully be paid in installments over a period of years, with or without interest, the Board shall be obligated to pay only such installments of principal and interest as are required to be paid. The Board shall make all payments and comply with all covenants required by the terms of any security agreement giving rise to a Permitted Encumbrance on any Hospital Asset.

Section 7.13 Alterations to Hospital. The City or the Board may from time to time remodel and make additions, modifications, alterations, improvements and changes (hereinafter collectively referred to as “alterations”) in or to the Hospital as the City or the Board, in their discretion, may deem to be desirable for its uses and purposes; provided that such alterations shall not substantially impair the structural strength, utility or market value of the Hospital or materially impair its revenue producing capability.

All work in connection with any alternations or repairs to the Hospital shall be done promptly and in good workmanlike manner and in compliance with certificate of need laws or government regulations which may at that time be in full force and effect and with the building and zoning laws of the City and other governmental subdivisions wherein the orders, rules, regulations and requirements of all federal, state and municipal governments and the appropriate departments, commissions, boards and officers thereof, and shall not violate the provisions of any policy of insurance covering the Hospital, and the work shall be prosecuted with reasonable dispatch, unavoidable delays excepted.

Section 7.14 Books, Records and Audit. The City shall cause the Board to keep proper and separate books of record and account relating to the Hospital and each fund and account established or continued under this Indenture.

The City shall require that the Board file with the City on or before May 1 of each year, an annual audit relating to the Hospital, accompanied by an Independent Accountant's certificate, including a statement of assets and liabilities as of the end of each Fiscal Year, a statement of revenues and expenses for such year, a statement of the amounts held in each fund and account described in Section 6.02 at the end of such year, and a statement as to non-compliance with any covenant under this Indenture.

The City will require the Board to have a certified annual audit of its books of record and account relating to the operations of the Hospital made by an Independent Accountant and furnished to the City within 150 days after the close of each Fiscal Year.

The City will require the Board to internally prepare quarterly financial statements of the Hospital within 45 days after the end of each fiscal quarter.

Section 7.15 Accreditation. The City warrants that the Hospital is accredited by The Joint Commission and covenants that it will require the Board to use its best efforts to maintain accreditation by The Joint Commission or its successors unless in the opinion of the Board, it is not in the best interest of the City and the Bondholders to maintain such accreditation. The City will require the Board to send to the City a true copy of the accreditation letter or, in lieu thereof immediately upon any loss of accreditation, a statement by the Board that the Hospital is no longer accredited. Such statement shall set forth the reasons given by the accrediting body for non-accreditation.

Section 7.16 Consolidation, Merger, Sale or Conveyance. The City agrees it will not merge the Hospital into or consolidate the Hospital with any other Person, or sell or convey all or substantially all of the Hospital Assets to any Person unless (i) the successor or transferee (the "Successor") shall be organized and existing under the laws of the United States of America or a state thereof and such Person shall expressly assume in writing all of the obligations of the City to pay the principal of and interest on the Bonds issued hereunder, and the due and punctual performance and observance of all of the covenants and conditions of this Indenture to be performed or observed by the City by an appropriate instrument satisfactory to the Trustee, executed and delivered to the Trustee by such Successor; (ii) the City shall have furnished to the Trustee an opinion of Bond Counsel that such merger, consolidation, sale or conveyance does not adversely affect the validity or exemption of interest on Outstanding Bonds from taxation under Section 103(a) of the Code; (iii) immediately after such merger or consolidation, or such sale or conveyance, (I) the Fund Balances of the Successor will not be less than 90% of the Fund Balances of the Hospital prior to such merger or consolidation, or such sale or conveyance; (II) the City will not be in default in the performance or observance of any such covenants or conditions of this Indenture; (III) prior to any consolidation, merger, sale or conveyance as provided in this Section 7.16, the Board Representative delivers to the Trustee an Officers Certificate in a form satisfactory to the Trustee to the effect that the Successor would be able to issue \$1.00 of Additional Indebtedness.

Section 7.17 Liquidity. The City shall cause the Board to calculate the Days Cash on Hand as of each Cash Test Date and, within 150 days of the Cash Test Date, deliver to the Trustee a certificate of the Hospital containing the calculation, based on financial statements of the Hospital for the Fiscal Year ending on such Cash Test Date. If the Days Cash on Hand is less than 60 on any Cash Test Date, then the Board shall retain an Independent Management Consultant to make recommendations with respect to the rates, fees and charges of the Hospital, cash management and investment practices of the Hospital and the Hospital's methods of operation and other factors affecting the financial condition of the Hospital in order to increase the Days Cash on Hand to the highest practicable level and, in all events, to at least 60. The Board shall not be required to obtain an Independent Management Consultant's report more frequently than once each Fiscal Year. A copy of the Independent Management Consultant's report and recommendations, if any, shall be filed with the Hospital and the Trustee. The Board shall follow each recommendation of the Independent Management Consultant unless the Board delivers to the Trustee an opinion of Independent Counsel to the effect that compliance with a particular recommendation would violate a provision of law or regulations. In either case the Board shall deliver to the Trustee an Officer's Certificate stating that the Board has complied with this Section 7.17.

Section 7.18 Continuing Disclosure. The City will comply with such continuing disclosure undertaking as is required in connection with the issuance of each series of Bonds.

ARTICLE VIII

DEFEASANCE

Section 8.01 Payment of Indebtedness: Satisfaction and Discharge of Indenture.
Whenever the conditions specified in either clause (1) or clause (2) of the following subsection A, and the conditions specified in the following subsections B and C shall exist, namely:

A. either

(1) all Bonds theretofore authenticated and delivered have been cancelled by the Trustee or delivered to the Trustee for cancellation, excluding, however,

(a) Bonds for whose payment money has theretofore been deposited in trust or segregated and held in trust by the Trustee and thereafter repaid to the City or discharged from such trust, as provided in this Section, and

(b) Bonds alleged to have been destroyed, lost or stolen which have been replaced or paid as provided in Section 3.07 hereof, and (1) which, prior to the satisfaction and discharge of this Indenture as hereinafter provided, have not been presented to the Trustee with a claim of ownership and enforceability by the Holder thereof, or (2) whose enforceability by the Holder thereof has been determined adversely to the Holder by a court of competent jurisdiction or other competent tribunal;

or

(2) the City has deposited or caused to be deposited with the Trustee as trust funds in trust cash and/or Government Obligations, which do not permit the redemption thereof at the option of the issuer, the principal of, premium, if any, and interest on which when due (or upon the redemption thereof at the option of the holder), will, without reinvestment, provide cash which, together with the cash, if any, deposited with the Trustee at the same time, shall be sufficient to pay and discharge the entire indebtedness on Bonds not theretofore cancelled by the Trustee or delivered to the Trustee for cancellation, for principal, premium, if any, and interest which have become due and payable, or to the Stated Maturity or Redemption Date, as the case may be, and has made arrangements satisfactory to the Trustee for the giving of notice of redemption, if any, by the Trustee in the name, and at the expense, of the City in the same manner as is provided by Section 14.04 hereof, if applicable;

B. the City has paid, caused to be paid or made arrangements satisfactory to the Trustee for the payment of all other sums payable hereunder by the City until the Bonds are so paid; and

C. the City has delivered to the Trustee an Officer's Certificate and an Opinion of Counsel each stating that all conditions herein provided for relating to the satisfaction and discharge of this Indenture have been complied with and a report of an Independent Accountant verifying the sufficiency of the deposit made pursuant to paragraph A(2) of this Section;

then, upon City Request authorized by a City Resolution, this Indenture and the lien, rights and interests hereby granted, shall cease, determine and become null and void, and the Trustee and each co-trustee and separate trustee, if any, then acting as such hereunder shall, at the expense of the City, execute and deliver such instruments of satisfaction as may be necessary, and forthwith the estate, right, title and interest of the Trustee in and to all of the Trust Estate (except the moneys and/or Government Obligations deposited as required above) shall thereupon be discharged and satisfied, and the Trustee shall in such case transfer, deliver and pay the same to the City or upon City Order.

The deposit required by subsection A, clause (2), may be made with respect to any particular series of Bonds, in which case such Bonds shall no longer be deemed to be Outstanding under the terms of this Indenture, and the Holders of such defeased Bonds shall be secured only by such trust funds and not by any other part of the Trust Estate created by this Indenture, and this Indenture shall remain in full force and effect to protect the interests of the Holders of Bonds remaining Outstanding thereafter.

In the absence of a City Request authorized by City Resolution as aforesaid, the payment of all Bonds Outstanding shall not render this Indenture inoperative or prevent the City from issuing Additional Bonds from time to time thereafter as herein provided.

Notwithstanding the satisfaction and discharge of this Indenture, the obligations of the City to the Trustee under Section 9.04 shall survive.

Section 8.02 Application of Deposited Money. All money, obligations and income thereon deposited with the Trustee pursuant to Section 8.01 hereof shall be held in a special escrow account in trust and applied by the Trustee to the payment, to the Persons entitled thereto, of the principal, premium, if any, and interest on said Bonds. Notwithstanding any provisions of this Indenture, and subject to applicable unclaimed property laws of the State, any money deposited with the Trustee or any paying agent in trust for the payment of the principal of, interest or premium on the Bonds remaining unclaimed for 3 years after the maturity or earlier payment date to the extent permitted by applicable law, shall be paid to the City, whereupon all liability of the Trustee with respect to such money shall cease, and the Bondholders shall thereafter look solely to the City for payment of any amounts then due. All money held by the Trustee and subject to this Section 8.02 shall be held uninvested and without liability for interest thereon.

ARTICLE IX

EVENTS OF DEFAULT; REMEDIES

Section 9.01 Events of Default. The term “Event of Default,” wherever used herein, means any one of the following events (whatever the reason for such Event of Default and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any decree or order of any court or any order, rule or regulation of any administrative or governmental body):

A. Default in the payment of any interest upon any Bond when it becomes due and payable; or

B. Default in the payment of the principal of (or premium, if any, on) any Bond when the same becomes due and payable; or

C. Default in the performance, or breach, of any covenant or warranty of the City contained in this Indenture (other than a covenant or warranty a default in whose performance or whose breach is elsewhere in this Section 9.01 specifically dealt with), and continuance of such default or breach for a period of 30 days after there has been given, by registered or certified mail, to the City and the Ground Lessor by the Trustee, or to the City, the Ground Lessor and the Trustee by the Holder or Holders of at least 25% in aggregate principal amount of the Bonds then Outstanding, a written notice specifying such default or breach and requiring it to be remedied; unless the party giving the notice shall agree in writing to an extension of such time prior to its expiration, or for such longer period as may be reasonably necessary to remedy such default provided that the City or the Ground Lessor, as the case may be, is proceeding with reasonable diligence to remedy the same; or

D. The occurrence and continuance through the applicable grace period of a default by the City under Section 1 of Article XVI of the Ground Lease; or

E. Default in the payment, as and when the same shall become due, of the principal of, premium, if any, or interest on any Indebtedness, in a principal amount which, when added to the principal amount of all other Indebtedness with respect to which there is a similar default, exceeds \$500,000 and any grace period applicable to such Indebtedness shall have expired; or

F. The City admits in writing insolvency or bankruptcy or its inability to pay its debts as they mature, or is generally not paying its debts as such debts become due, or makes an assignment for the benefit of creditors or applies for or consents to the appointment of a trustee, custodian or receiver for the City, or for the major part of the Hospital Assets.

G. If (i) in any Fiscal Year the Income Available for Debt Service is less than 100% of the Principal and Interest Requirements on all Parity Debt during such Fiscal Year (the “Shortfall Year”) excluding any Balloon Indebtedness paid at maturity or

refinanced in the Shortfall Year and (ii) the City has not prepaid principal, on a pro rata basis, of such Parity Debt (excluding any such Parity Debt not then subject to prepayment), not later than 30 days after the date of the audited financial statements for the Shortfall Year, in an amount equal to the difference of the principal amount of Parity Debt Outstanding as of the date of the audited financial statements for the Shortfall Year less the “Permitted Parity Debt Amount” calculated as follows:

$$\text{“Permitted Parity Debt Amount”} = \sum (P1 + P2 + P3...) + (NP1 + NP2 + NP3...)$$

P1, P2, P3... = with respect to prepayable Parity Debt instruments, the principal amount of (i) each series of Bonds, or (ii) serial or term maturity in a series of Bonds, or (iii) each instrument of other Parity Debt adjusted such that Income Available for Debt Service in Shortfall Year = $\sum (\text{LADS } P1 + \text{LADS } P2 + \text{LADS } P3...) + (\text{API } NP1 + \text{API } NP2 + \text{API } NP3...)$;

LADS P1, P2, P3... = level annual debt service on P1, P2, P3... (i) amortized over (a) the remaining period including and after the Shortfall Year to maturity if such Parity Debt is not Balloon Indebtedness, (b) if such Parity Debt is Balloon Indebtedness, the remaining stated amortization period, if any, of such Parity Debt including and after Shortfall Year or (c) 15 years, if such Parity Debt is Balloon Indebtedness and no amortization period is stated, at (ii) (a) the stated fixed interest rate, if any, or (b) the Projected Rate if any such Outstanding Parity Debt is Balloon Indebtedness, or (c) if interest on any Parity Debt is payable pursuant to a variable interest rate formula or is otherwise incapable of determination, such Parity Debt shall be assumed to bear interest at a fixed rate equal to the average of the interest rate on such Parity Debt as it existed (or would have existed if such Parity Debt had been outstanding) on the 1st day of each month in the Shortfall Year;

NP1 + NP2 + NP3... = the Outstanding principal amount of non-prepayable Parity Debt instruments;

API NP1 + API NP2 + API NP3... = the actual Principal and Interest Requirements of NP1, NP2, NP3... in the Shortfall Year.

Section 9.02 Acceleration of Maturity. If an Event of Default occurs and is continuing under Section 9.01 above, and after the expiration of any cure period, then and in every such case the Trustee may, and upon the written request by registered or certified mail to the Trustee by the Holder or Holders of a majority in aggregate principal amount of the Bonds then Outstanding shall, declare the principal of all the Outstanding Bonds to be due and payable immediately by notice in writing to the City, with interest accrued thereon to the date specified in said notice, and upon any such declaration such principal, with interest accrued thereon, shall become immediately due and payable solely from the Net Revenues and the Trust Estate.

At any time after such a declaration of acceleration has been made, but before the Trustee has exercised any other remedy specified herein, the Holders of a majority in aggregate principal amount of the Bonds then Outstanding, by written notice to the City and the Trustee,

may rescind and annul such declaration and its consequences if all Events of Default, other than the non-payment of the principal of Bonds which have become due solely by such acceleration, have been cured or waived and such declaration shall be rescinded and annulled upon any waiver, rescission and annulment under Section 9.13 hereof.

No such rescission shall affect any subsequent default or impair any right consequent thereon.

Section 9.03 Remedies. If an Event of Default occurs and is continuing, then in every such case, the Trustee may, and upon the written request by registered or certified mail to the Trustee by the Holder or Holders of majority in aggregate principal amount of the Bonds then Outstanding and being indemnified to its satisfaction shall:

A. proceed to protect and enforce its rights by a suit or suits in equity or at law, either for the specific performance of any covenant or agreement contained herein, in the Ground Lease or the Bonds, or in aid of the execution of any power herein or therein granted, or for the enforcement of any other appropriate legal or equitable remedy;

B. with respect to the Project Equipment, upon the occurrence and continuance of an Event of Default described in Clause D above, exercise any remedies available to a secured party under the Uniform Commercial Code as then in effect in the State of Minnesota; and

C. exercise any remedies available to the Trustee under any Collateral Documents.

Section 9.04 Application of Proceeds. The proceeds of sale of any part of the Trust Estate, or of the exercise of any other remedy hereunder or under the Ground Lease or any Collateral Document, together with any and all other sums then held by the Trustee as part of the Trust Estate, shall be applied as follows:

A. First: To the payment of the costs and expenses relating to the exercise of the remedial powers of the Trustee hereunder, including reasonable compensation of the Trustee, its agents and counsel, and of all outstanding fees, charges, expenses, liabilities and advances incurred or made by the Trustee, without negligence or willful misconduct, under this Indenture or in executing any trust or power hereunder or under any Collateral Document, and to the payment of all taxes, assessments or liens prior to the lien of this Indenture (including reasonable fees and disbursements of the Trustee), except any taxes, assessments or liens subject to which any sale or other disposition of the Trust Estate or part thereof shall have been made;

B. Second: To the payment of the whole amount then due and unpaid upon the Bonds then Outstanding for principal (and premium, if any) and interest, with interest at the respective rates prescribed in the Bonds of the several series on overdue principal (and premium, if any) and (to the extent that payment of such interest is enforceable under applicable law) on overdue installments of interest; and in case such proceeds shall be insufficient to pay in full the whole amount so due and unpaid upon the Bonds then

Outstanding then to the payment of such principal and interest, without any preference or priority, ratably according to the aggregate amount so due (in lawful money of the United States of America) for principal, premium, if any, and interest, at the date fixed by the Trustee for the distribution of such proceeds; and

C. Third: The surplus, if any, shall be paid to the City, or to whosoever may be lawfully entitled to receive the same or as a court of competent jurisdiction may direct.

Section 9.05 Trustee May File Proofs of Claims. In case of the pendency of any receivership, insolvency, liquidation, bankruptcy, reorganization, arrangement, adjustment, composition or other judicial proceeding relative to the City or the property of the City, the Trustee (irrespective of whether the principal of the Bonds shall then be due and payable as therein expressed or by declaration or otherwise and irrespective of whether the Trustee shall have made any demand on the City for the payment of overdue principal or interest) shall be entitled and empowered, by intervention in such proceeding or otherwise,

A. to file and prove a claim for the whole amount of principal, premium, if any, and interest owing and unpaid in respect of the Bonds then Outstanding and to file such other papers or documents as may be necessary or advisable in order to have the claims of the Trustee (including any claim for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel) and of the Bondholders allowed in such judicial proceedings, and

B. to collect and receive any moneys or other property payable or deliverable on any such claims and to distribute the same;

and any receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Bondholder to make such payments to the Trustee, and, in the event that the Trustee shall consent to the making of such payments directly to the Bondholders, to pay to the Trustee any amount due to it for the reasonable compensation, expenses, disbursements, and advances of the Trustee, its agents and counsel.

Section 9.06 Trustee May Enforce Claims Without Possession of Bonds. All rights of action and claims under this Indenture, the Bonds or any Collateral Document may be prosecuted and enforced by the Trustee without the possession of any of the Bonds or the production thereof in any proceedings relating thereto, and any such suit or proceedings instituted by the Trustee shall be brought in its name as trustee of an express trust, and any recovery of judgment shall, after provision for payment of the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, be for the ratable benefit of Holders of the Bonds in respect of which such judgment has been recovered.

Section 9.07 Limitation on Suits. No Holder of any Bond shall have any right to institute any proceedings, judicial or otherwise, with respect to this Indenture or any Collateral Document or for the appointment of a receiver or trustee, or for any remedy hereunder or thereunder, unless:

A. such Holder shall previously have given written notice to the Trustee of a continuing Event of Default;

B. the Holder or Holders of a majority in aggregate principal amount of the Bonds at the time Outstanding shall have made written request to the Trustee to institute proceedings in respect of such Event of Default in its own name as Trustee hereunder;

C. such Holder or Holders shall have offered the Trustee reasonable indemnity against the costs, expenses and liabilities to be incurred in compliance with such request;

D. the Trustee for 60 days after its receipt of such written request and offer of indemnity has failed to institute any such proceeding; and

E. no direction inconsistent with such written request has been given to the Trustee during such 60 day period by the Holder or Holders of a majority in principal amount of Bonds then Outstanding,

it being understood and intended that no one or more Holders of Bonds shall have any right, in any manner whatever, by virtue of, or by availing of, any provision of this Indenture to affect, disturb or prejudice the rights of any other Holders of Bonds or to obtain or seek to obtain priority or preferences over any other Holders of Bonds or to enforce any right under this Indenture, the Ground Lease or any Collateral Document, except in the manner herein provided and for the equal and ratable benefit of all the Holders of Bonds then Outstanding.

Section 9.08 Unconditional Right of Bondholders to Receive Principal, Premium and Interest. Notwithstanding any other provision in this Indenture, the Holder of any Bond shall have the right, which is absolute and unconditional, to receive payment of the principal of, premium, if any, and interest on such Bond on the respective Stated Maturities expressed in such Bond (or, in the case of redemption, on the Redemption Date) and to institute suit for the enforcement of any such payment, and such right shall not be impaired without the consent of such Holder.

Section 9.09 Restoration of Positions. If the Trustee or any Bondholder has instituted any proceeding to enforce any right or remedy under this Indenture or any Collateral Document, and such proceeding has been discontinued or abandoned for any reason, or has been determined adversely to the Trustee or to such Bondholder, then and in every such case the City, the Trustee and the Bondholders shall, subject to any determination in such proceeding, be restored to their former positions hereunder, and thereafter all rights and remedies of the Trustee and the Bondholders shall continue as though no such proceeding had been instituted.

Section 9.10 Rights and Remedies Cumulative. No right or remedy herein conferred upon or reserved to the Trustee or to the Bondholders is intended to be exclusive of any other right or remedy, but every such right or remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or under any Collateral Document, or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder or under any Collateral Document, or

otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Section 9.11 Delay or Omission Not Waiver. No delay or omission of the Trustee or of any Holder of any Bond to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such default or an acquiescence therein. Every right and remedy given by this Article IX, or any Collateral Document, or by law, to the Trustee or to the Bondholders may be exercised from time to time, and as often as may be deemed expedient, by the Trustee or by the Bondholders, as the case may be.

Section 9.12 Control by Bondholders. The Holders of a majority in aggregate principal amount of the Bonds at the time Outstanding shall have the right, during the continuance of an Event of Default,

A. to require the Trustee to proceed to enforce this Indenture or any Collateral Document, either by judicial proceedings for the enforcement of the payment of the Bonds or the enforcement of any other remedy; and

B. to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee hereunder or any Collateral Document; provided that

(1) such direction shall not be in conflict with any rule of law or with this Indenture,

(2) the Trustee shall not determine that the action so directed would be unjustly prejudicial to the Holders not taking part in such direction, and

(3) the Trustee may take any other action deemed proper by the Trustee which is not inconsistent with such direction.

Section 9.13 Waiver of Past Defaults. Any Event of Default under Section 9.01(D) hereof shall be automatically waived, rescinded and annulled if the corresponding “Event of Default” under the Ground Lease shall be waived, rescinded and annulled pursuant to, and in accordance with the provisions of, the Ground Lease.

Section 9.14 Suits to Protect the Trust Estate and Other Property. The Trustee shall have power to institute and to maintain such proceedings as it may deem expedient to prevent any impairment of the Trust Estate by any acts which may be unlawful or in violation of this Indenture or any Collateral Document, and such suits and proceedings as the Trustee may deem expedient to protect its interests and the interests of the Bondholders in the Trust Estate and in the issues, profits, revenues and other income arising therefrom, including power to institute and maintain proceedings to restrain the enforcement of or compliance with any governmental enactment, rule or order that may be unconstitutional or otherwise invalid, if the enforcement of, or compliance with, such enactment, rule or order would impair the security hereunder or thereunder or be prejudicial to the interest of the Bondholders or the Trustee.

Section 9.15 Rights of Ground Lessor. The Trustee agrees to provide the Ground Lessor copies of all notices the Trustee gives to the City under this Indenture, including but not limited to, any notices given pursuant to Section 9.01 of an Event of Default. The Trustee acknowledges and agrees that, if a cure period is available under Section 9.01 hereof, the Ground Lessor has the right, but not the obligation, to cure any Event of Default within the same number of days after receiving such notice as the City has hereunder.

ARTICLE X

THE TRUSTEE

Section 10.01 Certain Duties and Responsibilities.

A. Except during the continuance of an Event of Default,

(1) the Trustee undertakes to perform such duties and only such duties as are specifically set forth in this Indenture and any Collateral Document, and no implied covenants or obligations shall be read into this Indenture or any Collateral Document against the Trustee; and

(2) in the absence of bad faith on its part, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture and any Collateral Document; but in the case of any such certificates or opinions which by any provisions hereof or any Collateral Document are specifically required to be furnished to the Trustee, the Trustee shall be under a duty to examine the same to determine whether or not they conform to the requirements of this Indenture or any Collateral Document.

B. In case an Event of Default has occurred and is continuing, the Trustee shall exercise such of the rights and powers vested in it by this Indenture and any Collateral Document, and use the same degree of care and skill in their exercise, as a prudent man would exercise or use under the circumstances in the conduct of his own affairs.

C. No provision of this Indenture shall be construed to relieve the Trustee from liability for its own negligent action, its own negligent failure to act, or its own willful misconduct, except that

(1) this subsection shall not be construed to limit the effect of subsection A of this Section 10.01;

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

(3) the Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Holders of a majority in aggregate principal amount of the Bonds then Outstanding relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, under this Indenture; and

(4) no provision of this Indenture, the Ground Lease or any Collateral Document shall require the Trustee to expend or risk its own funds or otherwise incur any

financial liability in the performance of any of its duties hereunder or thereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

D. Whether or not therein expressly so provided, every provision of this Indenture relating to the conduct or affecting the liability of or affording protection to the Trustee shall be subject to the provisions of this Section 10.01. Under no circumstances shall the Trustee be liable in its individual capacity for the obligations evidenced by the Bonds.

Section 10.02 Notice of Event of Default. Within 10 days after the receipt of actual notice of any Event of Default hereunder, the Trustee shall transmit by mail to all Holders of Bonds, any Rating Agency then maintaining a rating on the Bonds, and to each Original Purchaser notice of such Event of Default hereunder known to the Trustee, unless such Event of Default shall have been cured or waived; provided, however, that, except in the case of a default in the payment of the principal of, premium, if any, or interest on any Bond, the Trustee shall be protected in withholding such notice if and so long as the board of directors, the executive committee or a trust committee of directors and/or Responsible Officers of the Trustee in good faith determine that the withholding of such notice is in the interest of the Bondholders.

Section 10.03 Certain Rights of Trustee. Except as otherwise provided in Section 10.01 hereof:

A. the Trustee may rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond debenture, or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties;

B. any request or direction of the City mentioned herein shall be sufficiently evidenced by a City Request or Order and any resolution of the City Council may be sufficiently evidenced by a City Resolution;

C. whenever in the administration of this Indenture the Trustee shall deem it desirable that a matter be proved or established prior to taking, suffering or omitting any action hereunder, the Trustee (unless other evidence be herein specifically prescribed) may, in the absence of bad faith on its part, rely upon an Officer's Certificate;

D. the Trustee may consult with counsel and the written advice of such counsel or any Opinion of Counsel shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by it hereunder in good faith and in reliance thereon;

E. the Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture or any Collateral Document, at the request or direction of any of the Bondholders pursuant to this Indenture, unless such Bondholders shall have offered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities which might be incurred by it in compliance with such request or direction;

F. the Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture or other paper or document, but the Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit, and, if the Trustee shall determine to make such further inquiry or investigation, it shall be entitled to examine the books, records and premises of the City, personally or by agent or attorney;

G. the Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder, either directly or by or through agents or attorneys, and the Trustee shall not be responsible for any misconduct or negligence on the part of any agent or attorney appointed with due care by it hereunder; and

H. the Trustee shall not be personally liable, in case of entry by it upon the Project, for debts contracted or liabilities or damages incurred in the management or operation of the Trust Estate.

Section 10.04 Not Responsible for Recitals or Issuance of Bonds. The recitals contained herein and in the Bonds, except the Trustee's certificate of authentication, shall not be taken as the statements of the Trustee, and the Trustee assumes no responsibility for their correctness. The Trustee makes no representations as to the value or condition of the Project or any part thereof, or as to the title of the City thereto or as to the security afforded thereby or hereby or as to the validity or sufficiency of this Indenture or of the Bonds.

Section 10.05 May Hold Bonds. The Trustee, any Paying Agent, or any other agent of the City, in its individual or any other capacity, may become the owner or pledgee of Bonds and may otherwise deal with the City with the same rights it would have if it were not Trustee, Paying Agent, or such other agent.

Section 10.06 Money Held in Trust. Money held by the Trustee in trust hereunder need not be segregated from other funds except to the extent required by law. The Trustee shall be under no liability for interest on any money received by it hereunder except as otherwise agreed with the City.

Section 10.07 Compensation and Reimbursement.

A. The City shall make payments to the Trustee, within 10 Business Days of written notification that payment is due, all reasonable fees of the Trustee for services rendered under the Indenture and all reasonable fees and charges of Paying Agents, counsel, accountants, engineers and others incurred in the performance on request of the Trustee of services under this Indenture for which the Trustee and such other persons are entitled to payment or reimbursement, provided that the City may, without creating a default hereunder, contest in good faith the reasonableness of any such fees or expenses other than the Trustee's or any Paying Agent's fees for ordinary services as set forth in this Indenture.

B. The City shall indemnify the Trustee against, all liabilities, losses, damages, costs and expenses (including attorneys' fees and expenses of the Trustee), causes of action, suits, claims, demands and judgments of any nature arising from:

(1) any injury to or death of any person or damage to property in or upon the Project, or growing out of or connected with the use, non-use, condition or occupancy of the Project or a part thereof;

(2) violation of any agreement, warranty, covenant or condition of this Indenture, except by the Trustee;

(3) violation of any contract, agreement or restriction by the City relating to the Project;

(4) violation of any law, ordinance, regulation or court order affecting the Project or a part thereof or the ownership, occupancy or use thereof; or

(5) any statement or information relating to the expenditure of the proceeds of the Bonds contained in the "Arbitrage Certificate" or similar document furnished by the City to the Trustee which, at the time made, is misleading, untrue or incorrect in any material respect;

(6) any statement or information contained in the Official Statement furnished to purchasers of the Bonds that is untrue or incorrect in any material respect, and any omission from such Official Statement of any statement or information which should be contained therein for the purpose for which the same is to be used or which is necessary to make the statements therein not misleading in any material respect; or

(7) the acceptance or administration of this Indenture or any Collateral Document.

C. The Trustee shall, except as to those moneys and/or Government Obligations held by the Trustee for the payment of any specified series of Bonds which are no longer deemed to be Outstanding under the provisions of Article VII hereof, be secured under this Indenture by a lien prior to the Bonds; and for the payment of such compensation, expenses, reimbursements and indemnity the Trustee shall have the right to use and apply any Trust Moneys, except those moneys and/or Governmental Obligations held by the Trustee pursuant to Article VII hereof as aforesaid, held by it under Article VI hereof. The provisions of this Section 10.07 shall survive the retirement and payment of the Bonds and any resignation or removal of the Trustee.

Section 10.08 Corporate Trustee Required: Eligibility. There shall at all times be a Trustee hereunder which shall be a corporation organized and doing business under the laws of the United States of America or of any State, authorized under such laws to exercise corporate trust powers, having a combined capital and surplus of at least \$10,000,000, subject to supervision or examination by a federal or state authority. If such corporation publishes reports of condition at least annually, pursuant to law or to the requirements of the aforesaid supervising

or examining authority, then for the purposes of this Section 10.08 the combined capital and surplus of such corporation shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. If at any time the Trustee shall cease to be eligible in accordance with the provisions of this Section 10.08, it shall resign immediately in the manner and with the effect hereinafter specified in this Article X.

Section 10.09 Resignation and Removal: Appointment of Successor.

A. No resignation or removal of the Trustee and no appointment of a successor Trustee pursuant to this Article X shall become effective until the acceptance of appointment by the successor Trustee under Section 10.10 hereof.

B. The Trustee may resign at any time by giving written notice thereof to the City. If an instrument of acceptance by a successor Trustee shall not have been delivered to the Trustee within 30 days after the giving of such notice of resignation, the resigning Trustee may petition any court of competent jurisdiction for the appointment of a successor Trustee.

C. If the Trustee has or shall acquire any conflicting interest the Trustee shall, within 90 days after ascertaining that it has such conflicting interest, either eliminate such conflicting interest or resign.

D. The Trustee may be removed at any time by Act of the Holders of a majority in aggregate principal amount of the Bonds then Outstanding, delivered to the Trustee and to the City.

E. If at any time:

(1) the Trustee shall cease to be eligible under Section 10.08 hereof and shall fail to resign after written request therefor by the City, or by any such Bondholder, or

(2) the Trustee shall become incapable of acting or shall be adjudged a bankrupt or insolvent or a receiver of the Trustee or of its property shall be appointed or any public officer shall take charge or control of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation,

then, in any such case, (i) the City by a City Resolution may remove the Trustee, or (ii) any Bondholder who has been a bona fide Holder of a Bond for at least six (6) months may, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor Trustee.

F. If the Trustee shall resign, be removed or become incapable of acting, or if a vacancy shall occur in the office of Trustee for any cause, the City, by a City Resolution, shall promptly appoint a successor Trustee. In case all or substantially all of the Trust Estate shall be in the possession of a receiver or trustee lawfully appointed, such receiver or trustee, by written instrument, may duly appoint a successor to fill a vacancy until a new Trustee shall be so appointed by the Bondholders. If, within one (1) year after such resignation, removal or incapability, or the occurrence of such vacancy, a successor Trustee shall be appointed by Act of the Holders of a majority in aggregate principal amount of the Bonds then Outstanding delivered

to the City, the retiring Trustee, the successor Trustee so appointed shall, forthwith upon its acceptance of such appointment, become the successor Trustee and supersede the successor Trustee appointed by the City. If no successor Trustee shall have been so appointed by the City or the Bondholders and accepted appointment in the manner hereinafter provided, any Bondholder who has been a bona fide Holder of a Bond for at least six (6) months may, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the appointment of a successor Trustee.

G. The City shall give notice of each resignation and each removal of the Trustee and each appointment of a successor Trustee by mailing written notice of such event by first-class mail, postage prepaid, to the Holders of Bonds at their addresses as shown in the Bond Register. Each notice shall include the name of the successor Trustee and the address of its principal corporate trust office.

Section 10.10 Acceptance of Appointment by Successor Trustee. Every successor Trustee appointed hereunder shall execute, acknowledge and deliver to the City and to the retiring Trustee an instrument accepting such appointment, and thereupon the resignation or removal of the retiring Trustee shall become effective and such successor Trustee, without any further act, deed or conveyance, shall become vested with all the rights, powers, trusts and duties of the retiring Trustee; but, on request of the City or the successor Trustee, such retiring Trustee shall, upon payment of its charges, execute and deliver an instrument or instruments transferring to such successor Trustee all the rights, powers, and trusts of the retiring Trustee in and to all property and money held by such retiring Trustee hereunder, subject nevertheless to its lien, if any, provided for in Section 9.04. Upon request of any such successor Trustee, the City shall execute any and all instruments for more fully and certainly vesting in and confirming to such successor Trustee all such rights, powers and trusts.

No successor Trustee shall accept its appointment unless at the time of such acceptance such successor Trustee shall be qualified and eligible under this Article X, to the extent operative.

Section 10.11 Merger, Conversion, Consolidation or Successor to Business. Any corporation into which the Trustee may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Trustee shall be a party, or any corporation succeeding to all or substantially all of the corporate trust business of the Trustee, shall be the successor of the Trustee hereunder, provided such corporation shall be otherwise qualified and eligible under this Article X, to the extent operative, without the execution or filing of any paper or any further act on the part of any of the parties hereto. In case any Bonds shall have been authenticated, but not delivered, by the Trustee then, any successor by merger, conversion or consolidation to such authenticating Trustee may adopt such authentication and deliver the Bonds so authenticated with the same effect as if such successor Trustee had itself authenticated such Bonds.

Section 10.12 Co-trustees and Separate Trustees. At any time or times, for the purpose of meeting any legal requirements of any jurisdiction in which any part of the Trust Estate may at the time be located, the City and the Trustee shall have power to appoint, and, upon the request of the Trustee or of the Holder or Holders of at least 25% in aggregate principal

amount of the Bonds then Outstanding, the City shall for such purpose join with the Trustee in the execution, delivery and performance of all instruments and agreements necessary or proper to appoint one or more persons approved by the Trustee either to act as co-trustee, jointly with the Trustee, of all or any part of the Trust Estate, or to act as separate trustee of any such property, in either case with such powers as may be provided in the instrument of appointment, and to vest in such Person or Persons, in the capacity aforesaid, any property, title, right or power deemed necessary or desirable, subject to the other provisions of this Section 10.12. If the City does not join in such appointment within 15 days after the receipt by it of a request so to do, or in case a default has occurred and is continuing, the Trustee alone shall have power to make such appointment.

Should any written instrument from the City be required by any co-trustee or separate trustee so appointed for more fully confirming to such co-trustee or separate trustee such property, title, right or power, any and all such instruments shall, on request, be executed, acknowledged and delivered by the City.

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

A. The Bonds shall be authenticated and delivered and all rights, powers, duties and obligations hereunder in respect of the custody of securities, cash and other personal property held by or required to be deposited or pledged with the Trustee hereunder shall be exercised solely by the Trustee.

B. The rights, powers, duties and obligations conferred or imposed upon the Trustee in respect of such property shall be conferred or imposed upon and exercised or performed by the Trustee or by the Trustee and each co-trustee or separate trustee jointly, as shall be provided in the instrument appointing such co-trustee or separate trustee, except to the extent that, under the law of any jurisdiction in which any particular act is to be performed, the Trustee shall be incompetent or unqualified to perform such act, in which event such rights, powers, duties and obligations shall be exercised and performed by such co-trustee or separate trustee.

C. The Trustee at any time, by an instrument in writing, with the concurrence of the City evidenced by a City Resolution, may accept the resignation of or remove any co-trustee or separate trustee appointed under this Section 10.12, and, in case a default has occurred and is continuing, the Trustee shall have power to accept the resignation of or remove any such co-trustee or separate trustee without the concurrence of the City. Upon the written request of the Trustee, the City shall join with the Trustee in the execution, delivery and performance of all instruments and agreements necessary or proper to effectuate such resignation or removal. A successor to any co-trustee or separate trustee so resigned or removed may be appointed in the manner provided in this Section 10.12.

D. No co-trustee or separate trustee hereunder shall be personally liable by reason of any act or omission of the Trustee, or any other trustee hereunder.

E. Any Act of Bondholders delivered to the Trustee shall be deemed to have been delivered to each such co-trustee and separate trustee.

Upon the acceptance in writing of such appointment by any such co-trustee or separate trustee, he, she or it shall be vested with the estates or property specified in the instrument of appointment, jointly with the Trustee (except insofar as local law makes it necessary for any such co-trustee or separate trustee to act alone), subject to all the terms of this Indenture. Every such acceptance shall be filed with the Trustee. Any co-trustee or separate trustee may, at any time by an instrument in writing, constitute the Trustee its or his attorney-in-fact and agent, with full power and authority to do all acts and things and to exercise all discretion on his, her or its behalf.

In case any co-trustee or separate trustee shall die, become incapable of acting, resign or be removed, all the property, titles, rights and powers of such co-trustee or separate trustee, so far as permitted by law, shall vest in and be exercised by the Trustee without the appointment of a new trustee as successor to such co-trustee or separate trustee.

The provisions of Sections 10.01 and 10.03 shall be applicable to any co-trustee or separate trustee appointed under this Section 10.12.

ARTICLE XI

BONDHOLDERS' MEETINGS

Section 11.01 Purposes for Which Bondholders' Meetings May Be Called. A meeting of Bondholders may be called at any time and from time to time pursuant to this Article XI for any of the following purposes:

- A. to give any notice to the City or the Trustee, or to give any directions to the Trustee, or to consent to the waiving of any default hereunder and its consequences, or of any default under the Ground Lease and its consequences, or to take any other action authorized to be taken by Bondholders pursuant to Article IX hereof;
- B. to remove the Trustee and appoint a successor trustee pursuant to Article X hereof;
- C. to consent to the execution of any amendment to the Ground Lease or any Collateral Document, or a Supplemental Indenture pursuant to Article XIII hereof; or
- D. to take any other action authorized to be taken by or on behalf of the Holders of any specified aggregate principal amount of the Bonds under any other provision of this Indenture or under applicable law.

Section 11.02 Place of Meetings of Bondholders. Meetings of Bondholders may be held at such place or places as the Trustee or, in case of its failure to act, the City or the Bondholders calling the meeting, shall from time to time determine.

Section 11.03 Call and Notice of Bondholders' Meetings.

A. The Trustee may at any time call a meeting of Bondholders to be held at such time and at such place as the Trustee shall determine. Notice of every meeting of Bondholders, setting forth the time and the place of such meeting and in general terms the action proposed to be taken at such meeting, shall be mailed, first class, postage prepaid, to each Holder of Bonds not less than 20 days prior to the date fixed for such meeting. Any failure of the Trustee to mail such notice to any particular Bondholder, or any defect therein shall not, however, in any way impair or affect the validity of any such meeting or notice given to other Bondholders.

B. In case at any time the City, pursuant to a City Resolution, or the Holders of at least 10% in aggregate principal amount of the Bonds then Outstanding, shall have requested the Trustee to call a meeting of the Bondholders, by written request setting forth in reasonable detail the action proposed to be taken at the meeting, and the Trustee shall not have mailed the notice of such meeting within 20 days after receipt of such request, then the City or the Holders of Bonds in the amount above specified may determine the time and the place in the location designated in Section 11.02 hereof for such meeting and may call such meeting to take any action authorized in Section 11.01 hereof by giving notice thereof as provided in subsection A of this Section 11.03.

Section 11.04 Persons Entitled to Vote at Bondholders' Meetings. To be entitled to vote at any meeting of Bondholders, a Person shall be (i) a Holder of one or more Bonds, or (ii) a Person appointed by an instrument in writing as proxy for a Holder or Holders of Bonds by such Holder or Holders. The only Persons who shall be entitled to be present or to speak at any meeting of Bondholders shall be the Persons entitled to vote at such meeting and their counsel and any representatives of the Trustee and its counsel and any representative of the City and its counsel.

Section 11.05 Determination of Voting Rights: Conduct and Adjournment of Meetings.

A. Notwithstanding any other provisions of this Indenture, the Trustee may make such reasonable regulations as it may deem advisable for any meeting of Bondholders in regard to proof of the holding of Bonds and of the appointment of proxies and in regard to the appointment and duties of inspectors of votes, the submission and examination of proxies, certificates and other evidence of the right to vote, and such other matters concerning the conduct of the meeting as it shall deem appropriate. Except as otherwise permitted or required by any such regulations, the holding of Bonds shall be proved in the manner specified in Section 1.04 hereof and the appointment of any proxy shall be proved in the manner specified in Section 1.04 hereof. Such regulations may provide that written instruments appointing proxies, regular on their face, may be presumed valid and genuine without the proof specified in Section 1.04 hereof or other proof.

B. The Trustee shall, by an instrument in writing, appoint a temporary chairman of the meeting, unless the meeting shall have been called by the City or by Bondholders as provided in subsection B of Section 11.03 hereof, in which case the City or the Bondholders calling the meeting, as the case may be, shall in like manner appoint a temporary chairman. A permanent chairman and a permanent secretary of the meeting shall be elected by vote of the Holders of a majority of the Bonds represented at the meeting and entitled to vote.

C. At any meeting each Bondholder or proxy shall be entitled to one vote for each \$5,000 principal amount, or fraction thereof, of Outstanding Bonds held or represented by him; provided, however, that no vote shall be cast or counted at any meeting in respect of any Bond challenged as not Outstanding and ruled by the chairman of the meeting to be not Outstanding. The chairman of the meeting shall have no right to vote, except as a Bondholder or proxy.

D. At any meeting of Bondholders, the presence of Persons holding or representing Bonds in an aggregate principal amount sufficient under the appropriate provision of this Indenture to take action upon the business for the transaction of which such meeting was called shall constitute a quorum. Any meeting of Bondholders duly called pursuant to Section 10.03 hereof may be adjourned from time to time by vote of the Holders (or proxies for the Holders) of a majority of the Bonds represented at the meeting and entitled to vote, whether or not a quorum shall be present; and the meeting may be held as so adjourned without further notice.

Section 11.06 Counting Votes and Recording Action of Meetings. The vote upon any resolution submitted to any meeting of Bondholders shall be by written ballots on which shall be subscribed the signatures of the Holders of Bonds or of their representatives by proxy and the serial number or numbers of the Bonds held or represented by them. The permanent chairman of the meeting shall appoint two (2) inspectors of votes who shall count all votes cast at the meeting for or against any resolution and who shall make and file with the secretary of the meeting their verified written reports in duplicate of all votes cast at the meeting. A record, at least in duplicate, of the proceedings of each meeting of Bondholders shall be prepared by the secretary of the meeting and there shall be attached to said record the original reports of the inspectors of votes on any vote by ballot taken thereat and affidavits by one or more persons having knowledge of the facts setting forth a copy of the notice of the meeting and showing that said notice was published or mailed as provided in Section 10.03 hereof. Each copy shall be signed and verified by the affidavits of the permanent chairman and secretary of the meeting and one such copy shall be delivered to the City and another to the Trustee to be preserved by the Trustee, the latter to have attached thereto the ballots voted at the meeting. Any record so signed and verified shall be conclusive evidence of the matters therein stated.

Section 11.07 Revocation by Bondholders. At any time prior to (but not after) the evidencing to the Trustee, in the manner provided in Section 1.04 hereof, of the taking of any action by the Holders of the percentage in aggregate principal amount of the Bonds specified in this Indenture in connection with such action, any Holder of a Bond, the serial number of which is included in the Bonds, the Holders of which have consented to such action may, by filing written notice with the Trustee at its principal office and upon proof of holding as provided in Section 1.04 hereof, revoke such consent so far as concerns such Bond. Except as aforesaid any such consent given by the Holder of any Bond shall be conclusive and binding upon such Holder and upon all future Holders and owners of such Bond and of any Bond issued in exchange therefor or in lieu thereof, irrespective of whether or not any notation in regard thereto is made upon such Bond. Any action taken by the Holders of the percentage in aggregate principal amount of the Bonds specified in this Indenture in connection with such action shall be conclusively binding upon the City, the Trustee and the Holders of all the Bonds.

ARTICLE XII

SUPPLEMENTAL INDENTURES

Section 12.01 Supplemental Indentures Without Consent of Bondholders. Without the consent of the Bondholders, the City and the Trustee, at any time and from time to time, may enter into one or more indentures supplemental hereto, in form satisfactory to the Trustee, for any one of the following purposes:

A. To correct or amplify the description of the Trust Estate, or better to assure, convey and confirm unto the Trustee any property subject or required to be subjected to the lien of this Indenture, or to subject to the lien of this Indenture additional property, or to subject to the lien and pledge of this Indenture additional revenues, properties or collateral; or

B. To add to the conditions, limitations and restrictions on the authorized amount, terms or purposes of issue, authentication and delivery of Bonds or of any series of Bonds, as herein set forth, other conditions, limitations and restrictions thereafter to be observed; or

C. To provide for the creation of any series of Additional Bonds, as provided in, and subject to the conditions and requirements of, Article V hereof; or

D. To provide for the exchange of Bonds of one series for Bonds of another series, or the exchange of Bonds of one denomination or kind for Bonds of another denomination or kind of the same series; or

E. To modify or eliminate any of the terms of this Indenture; provided, however, that:

(1) any such modifications or eliminations shall be expressly provided in such Supplemental Indenture to become effective only when there are no Bonds Outstanding of any series created prior to the execution of such Supplemental Indenture; and

(2) the Trustee may, in its discretion, decline to enter into any such Supplemental Indenture which, in its opinion, may not afford adequate protection to the Trustee when the same becomes effective; or

F. To add to the covenants of the City, for the benefit of the Holders of the Bonds or of any series of Bonds, or to surrender any right or power herein conferred upon the City; or

G. To cure any ambiguity, to correct or supplement any provision herein which may be inconsistent with any other provision herein, or to make any other provisions with respect to matters or questions arising under this Indenture which shall not be inconsistent with the provisions of this Indenture, provided such action shall not in

the good faith judgment of the Trustee materially adversely affect the interests of the Holders of the Bonds then Outstanding.

Section 12.02 Supplemental Indentures With Consent of Bondholders. With the consent of the Holders of not less than a majority in aggregate principal amount of the Bonds of all series Outstanding which are affected by such Supplemental Indenture, by Act of said Holders delivered to the City and the Trustee, the City, when authorized by a City Resolution and the Trustee may enter into an indenture or indentures supplemental hereto for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Indenture or of modifying in any manner the rights of the Holders of the Bonds under this Indenture; provided, however, that no such Supplemental Indenture shall, without the consent of the Holder of each Outstanding Bond affected thereby,

A. change the Stated Maturity of the principal of, or any installment of interest on, any Bond, or reduce the principal amount thereof or the interest thereon or any premium payable upon the redemption thereof, or change the coin or currency in which any Bond or the premium or interest thereon is payable, or impair the right to institute suit for the enforcement of any such payment on or after the Stated Maturity thereof (or, in the case of redemption, on or after the Redemption Date), or

B. reduce the percentage in principal amount of the Outstanding Bonds the consent of whose Holders is required for any such Supplemental Indenture, or the consent of whose Holders is required for any waiver (of compliance with certain provisions of this Indenture or certain defaults hereunder and their consequences) provided for in this Indenture, or

C. modify any of the provisions of this Section 12.02 hereof, except to increase any such percentage or to provide that certain other provisions of this Indenture cannot be modified or waived without the consent of the Holder of each Bond affected thereby.

For all purposes of this Section 12.02, Bonds shall be deemed to be “affected” by a Supplemental Indenture if such Supplemental Indenture adversely affects or diminishes the rights of Holders thereof against the City or the Trust Estate. The Trustee may in its discretion determine whether any Bonds would be affected by any Supplemental Indenture and any such determination shall be conclusive upon the Holders of all Bonds, whether theretofore or thereafter authenticated and delivered hereunder. The Trustee shall not be liable for any such determination made in good faith.

It shall not be necessary for any Act of Bondholders under this Section 12.02 to approve the particular form of any proposed Supplemental Indenture, but it shall be sufficient if such consent shall approve the substance thereof.

Section 12.03 Execution of Supplemental Indentures. In executing or accepting the additional trust permitted by this Article XII or the modifications thereby of the trusts created by this Indenture, the Trustee shall be entitled to receive, and (subject to Section 10.01 hereof) shall be fully protected in relying upon, an Opinion of Counsel stating that the execution of such

Supplemental Indenture is authorized or permitted by this Indenture. The Trustee may, but shall not be obligated to, enter into any such Supplemental Indenture which affects the Trustee's own rights, duties or immunities under this Indenture or otherwise.

Section 12.04 Effect of Supplemental Indentures. Upon the execution of any Supplemental Indenture under this Article XII, this Indenture shall be modified in accordance therewith, and such Supplemental Indenture shall form a part of this Indenture for all purposes and every Holder of Bonds theretofore or thereafter authenticated and delivered hereunder shall be bound thereby.

Section 12.05 Reference in Bonds to Supplemental Indentures. Bonds authenticated and delivered after the execution of any Supplemental Indenture pursuant to the provisions of this Article XII may, and shall, if required by the Trustee, bear a notation in form approved by the Trustee as to any matter provided for in such Supplemental Indenture. If the City shall so determine, new Bonds so modified as to conform in the opinion of the Trustee and the City to any such Supplemental Indenture may be prepared and executed by the appropriate officials of the City Council and authenticated and delivered by the Trustee in exchange for Outstanding Bonds.

Section 12.06 Notice to Rating Agency. Any rating agency rating the Bonds must receive notice of each supplement to this Indenture and a copy thereof at least 15 Business Days in advance of its execution or adoption.

ARTICLE XIII

AMENDMENT OF GROUND LEASE AND ANY COLLATERAL DOCUMENT

Section 13.01 Amendment to Ground Lease and Collateral Document Without Consent of Bondholders. Without the consent of the Holders of any Bonds, the Trustee, at any time and from time to time, may consent to one or more amendments to the Ground Lease, and may enter into one or more amendments or supplements to any Collateral Document, in form satisfactory to the Trustee, for any of the following purposes:

A. To correct or amplify the description of any property at any time subject to the Ground Lease or any Collateral Document, or better to assure, convey and confirm unto the Trustee any property subject or required to be subject to the Ground Lease or any Collateral Document, or to subject to the Ground Lease, or any Collateral Document, additional property; or

B. To add to the conditions, limitations and restrictions of the City in the Ground Lease or any Collateral Documents other conditions, limitations and restrictions thereafter to be observed; or

C. To consent to the creation of any series of Additional Bonds, as provided in Article V hereof; or

D. To modify or eliminate any of the terms of the Ground Lease or any Collateral Document; provided, however, that:

(1) any such modifications or elimination shall be expressly provided in such amendment to the Ground Lease or any Collateral Document to become effective only when there are no Bonds Outstanding of any series created prior to the execution of such amendment to the Ground Lease or any Collateral Document; and

(2) the Trustee may, in its discretion, decline to enter into any such amendment which, in its opinion, may not afford adequate protection to the Trustee when the same becomes effective; or

E. To evidence the succession of another corporation to the City, and the assumption by any such successor of the covenants of the City contained in the Ground Lease and any Collateral Document, or to evidence the succession of any successor Trustee under the provisions of Article X hereof; or

F. To add any property or other right to the lien of the Ground Lease or any Collateral Document, or to release any property (or undivided interest therein) or other right from the Ground Lease or any Collateral Document when made in accordance with, and subject to the provisions of, the Ground Lease or any Collateral Document; or

G. To cure any ambiguity, to correct or supplement any provision of the Ground Lease or any Collateral Document that may be inconsistent with any other provision of the Ground Lease or any Collateral Document, or to make any other provisions with respect to matters or questions arising under the Ground Lease or any Collateral Document, provided such action shall not in the good faith judgment of the Trustee materially adversely affect the interests of the Holders of the Bonds.

Section 13.02 Amendment to Ground Lease or Collateral Document With Consent of Bondholders. With the consent of the Holders of not less than a majority in aggregate principal amount of the Bonds of all series then Outstanding which are affected by such amendment to the Ground Lease or any Collateral Document, by act of said Holders delivered to the City and the Trustee, the City, when authorized by a City Resolution, and the Trustee may enter into an amendment or amendments to the Ground Lease or an amendment or amendments or a supplement or supplements to any Collateral Document for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of the Ground Lease or any Collateral Document; provided, however, that no such amendment shall, without the consent of the Holder of each Outstanding Bond affected thereby,

A. modify any of the provisions of the Ground Lease or any Collateral Document to eliminate the requirement that the Trustee consent to every amendment thereto, or

B. release from the lien of any Collateral Document any of the property secured thereby except as expressly permitted by the Agreement or any Collateral Document.

For all purposes of this Section 13.02, Bonds shall be deemed to be “affected” by an amendment if such amendment adversely affects or diminishes the rights of Holders thereof to be assured of the payment of principal of, premium, if any, and interest on the Bonds. The Trustee may in its discretion determine whether or not any Bonds would be affected by any amendment and any such determination shall be conclusive upon the Holders of all Bonds, whether theretofore or thereafter authenticated and delivered hereunder. The Trustee shall not be liable for any such determination made in good faith.

It shall not be necessary for the Bondholders under this Section 13.02 to approve the particular form of any proposed amendment or supplement to the Ground Lease or any Collateral Document, but it shall be sufficient if the Bondholders shall approve the substance thereof.

Section 13.03 Consent to Amendments. In consenting to an amendment to the Ground Lease or the execution of an amendment or supplement to any Collateral Document permitted by this Article XIII, the Trustee shall be entitled to receive, and (subject to Section 10.01 hereof) shall be fully protected in relying upon, an Opinion of Counsel stating that the execution of such consent or amendment or supplement is authorized or permitted by this Indenture. The Trustee may, but shall not be obligated to, enter into any such consent or amendment or supplement that affects the Trustee’s own rights, duties or immunities under this Indenture or otherwise.

ARTICLE XIV

REDEMPTION

Section 14.01 Right of Redemption. Except as provided herein with respect to the Series 2015B Bond and the Series 2016 Bonds, as to which the provisions specified in Article IV shall apply and the provisions specified in this Article XIV do not apply, or as provided in a Supplemental Indenture with respect to any Additional Bonds, the Bonds of any series are subject to redemption as provided in this Article XIV and in the Supplemental Indenture creating such series.

Bonds which are redeemable before their Stated Maturity shall be redeemed in accordance with their terms, this Indenture, and (except as otherwise provided with respect to the Bonds of any particular series by the provisions of a Supplemental Indenture creating such series) in accordance with this Article XIV.

Section 14.02 Election to Redeem; Notice to Trustee. The election of the City to redeem any Bonds shall be evidenced by a City Order. In case of any redemption at the election of the City of less than all of the Outstanding Bonds of any series, the City, shall, at least 45 days prior to the Redemption Date fixed by the City (unless a shorter notice shall be satisfactory to the Trustee), notify the Trustee of such Redemption Date and of the principal amount of Bonds of such series to be redeemed. Any redemption of Bonds made in accordance with sinking fund redemption provisions of a Supplemental Indenture shall not require any action by the City.

Section 14.03 Selection by Trustee of Bonds to be Redeemed. If less than all of the Outstanding Bonds of any series are to be redeemed, the particular Bonds to be redeemed shall be selected by the Trustee from the Outstanding Bonds of that series not previously called for redemption, randomly (or, in the case of a redemption pursuant to Section 4.03 hereof or the applicable provision or provisions of any Supplemental Indentures, in inverse order of maturity and randomly within a maturity) in such manner as the Trustee shall deem fair and appropriate and which may provide for the selection for redemption of portions of the principal of Bonds in the denomination larger than \$5,000 or the smallest authorized denomination of the Bonds of that series or an integral multiple thereof.

For all purposes of this Indenture, unless the context otherwise requires, all provisions relating to the redemption of Bonds shall relate, in the case of any Bond redeemed or to be redeemed only in part, to the portion of the principal of such Bond which has been or is to be redeemed.

Section 14.04 Notice of Redemption. Notice of redemption shall be mailed first class, postage prepaid, not less than 30 days prior to the Redemption Date, to each Holder of Bonds to be redeemed; but, neither failure to give notice by mail, nor defect in any notice so mailed, shall affect the validity of the proceedings for the redemption of any Bond not affected by such failure or defect. If required by Minnesota law, the City shall direct the Trustee to also publish the notice of redemption.

All notices of redemption shall state:

- A. the Redemption Date,
- B. the Redemption Price,
- C. the principal amount of Bonds of each series to be redeemed, and, if less than all Outstanding Bonds of a series are to be redeemed, the identification (and, in the case of partial redemption, the respective principal amounts) of the Bonds of such series to be redeemed,
- D. that on the Redemption Date, the Redemption Price will become due and payable upon each such Bond, and that interest thereon shall cease to accrue on and after such date,
- E. the place or places where such Bonds are to be surrendered for payment of the Redemption Price, and
- F. if it be the case, that such Bonds are to be redeemed by the application of certain specified Trust Moneys or for certain specified reasons.

Section 14.05 Deposit of Redemption Price. If provision for payment of the Bonds to be redeemed has not otherwise been made in accordance with the provisions of this Indenture, the City shall deposit with the Trustee, on or before the Redemption Date in immediately available funds, an amount of money sufficient to pay the Redemption Price of all the Bonds to be redeemed on that date.

Section 14.06 Bonds Payable on Redemption Date. Notice of redemption having been given as aforesaid, the Bonds so to be redeemed shall, on the Redemption Date, become due and payable at the Redemption Price therein specified and on and after such date (unless the City shall default in the payment of the Redemption Price) such Bonds shall cease to bear interest. Upon surrender of any such Bond for redemption in accordance with such notice, such Bond shall be paid at the Redemption Price. Installments of interest whose Stated Maturity is on or prior to the Redemption Date shall continue to be payable to the Holders thereof.

If any Bond called for redemption shall not be so paid upon surrender thereof for redemption, the principal (and premium, if any) shall, until paid, bear interest from the Redemption Date at the rate borne by the Bond.

Section 14.07 Bonds Redeemed in Part. Any Bond which is to be redeemed only in part shall be surrendered to the Trustee (with, if the City or the Trustee so requires, due endorsement by, or a written instrument of transfer in form satisfactory to the City and the Trustee duly executed by, the Holder thereof or his attorney duly authorized in writing), and the appropriate officials of the City shall execute and the Trustee shall authenticate and deliver to the Holder of such Bond, without service charge, a new Bond or Bonds of the same series, of any authorized denomination or denominations, having the same Stated Maturity and interest rate as requested by such Holder, in aggregate principal amount equal to and in exchange for the

unredeemed portion of the principal of the Bond so surrendered. The provisions of this Section shall not apply to the Series 2015B Bond or the Series 2016 Bonds.

Section 14.08 Redemption of All Bonds. Upon the occurrence of certain events and upon certain terms and conditions described in Section 4.03(c), the City is permitted to prepay the Bonds. In any such event, upon compliance with the provisions of Section 4.03(c), the Trustee shall forthwith fix a date of redemption for all Outstanding Bonds, which date shall be the earliest practicable date for any series of Outstanding Bonds which will occur after notice of such redemption shall have been given in accordance with Section 14.04 hereof.

IN WITNESS WHEREOF, the CITY OF NORTHFIELD, MINNESOTA, and WELLS FARGO BANK, NATIONAL ASSOCIATION, as Trustee, have caused this [Second](#) Amended and Restated Indenture of Trust to be executed in their respective corporate names, and attested by their duly authorized officers, and have caused their corporate seals to be hereunto affixed, all as of the day and year first written above.

CITY OF NORTHFIELD, MINNESOTA

By _____
Mayor

By _____
Clerk

WELLS FARGO BANK, NATIONAL
ASSOCIATION, as Trustee

By _____
Its _____

EXHIBIT A

DESCRIPTION OF LAND

Lot 1, Block 1, and Outlot A, St. Olaf College North Avenue Development, Dakota County, Minnesota

PERMITTED ENCUMBRANCES

1. Any lien, or right to a lien, for services, labor or material heretofore or hereafter furnished, imposed by law and not shown by the public records.
2. Real estate taxes payable in the second half of 2016 and thereafter.
3. Rights or claims of tenants, as tenants only, in possession under unrecorded leases.
4. Rights of City of Northfield as shown in City of Northfield Right-of-Way Map No. 2, filed August 9, 2001, as document No. 1800470.
5. Ground Lease by and between St. Olaf College, a Minnesota nonprofit corporation and City of Northfield, dated November 17, 1999 and filed November 28, 2001 as Document No. 1834253.
6. Easement for public pathway purposes, in favor of the City of Northfield, a Minnesota municipal corporation, as created in document dated July 9, 2002, filed August 19, 2002, as Document No. 1927237.
7. Terms and conditions of Northfield Zoning Board of Appeals Resolution #2002-09 dated October 15, 2002, filed November 25, 2002, as Document No. 1964322.
8. Terms and conditions of St. Olaf College North Avenue Development Subdivision Agreement/Final Development Plan dated August 9, 2001, filed October 8, 2001, as Document No. 1818396.

EXHIBIT B

FORM OF SERIES 2015B BOND

UNITED STATES OF AMERICA
STATE OF MINNESOTA
COUNTIES OF DAKOTA AND RICE
CITY OF NORTHFIELD
HOSPITAL REVENUE BOND,
SERIES 2015B

No. R-1

<u>INTEREST RATE</u>	<u>MATURITY DATE</u>	<u>DATE OF ISSUANCE</u>
2.980%	November 1, 2025	December 29, 2015

The City of Northfield, Minnesota, a municipality organized and existing under the Constitution, laws of the State of Minnesota and Charter of the City (hereinafter called the “City”), hereby promises to pay Cedar Rapids Bank & Trust, an Iowa corporation, its successors or registered assigns (the “Holder”), from the source and in the manner hereinafter provided, the principal sum of EIGHT MILLION FOUR HUNDRED FIVE THOUSAND and no hundredths DOLLARS (\$8,405,000), or so much thereof as has been advanced and remains unpaid from time to time (the “Principal Balance”), with interest thereon from the date hereof until paid or otherwise discharged at the rate of 2.980% per annum, in any coin or currency which at the time or times of payment is legal tender for the payment of public or private debts in the United States of America, in accordance with the terms hereinafter set forth.

Principal of and accrued interest on this Bond shall be payable May 1 or November 1 (each a “Payment Date”) commencing May 1, 2016 and continuing through November 1, 2025 (the “Maturity Date”) in the amounts set forth in **Exhibit A** attached hereto. Payments shall be applied first to amounts which are neither principal nor interest, next to interest due on the Principal Balance and thereafter to reduction of the Principal Balance. If any Payment Date should not be a Business Day (as defined in the Master Indenture (as defined in the Loan Agreement)), such payment shall be made on the next succeeding Business Day, without additional interest accruing thereon for the period after such Payment Date (whether or not such next succeeding Business Day occurs in a succeeding month) and such payment shall be treated as if received on the Payment Date.

This Bond is issued under a Mortgage and Security Agreement and Indenture of Trust, dated as of November 1, 2001 (the “Original Indenture”), as supplemented by a First Supplement to Mortgage and Security Agreement and Indenture of Trust dated August 1, 2006 (the “First Supplemental Indenture”), as further supplemented by a second Supplement to

Mortgage and Security Agreement and Indenture of Trust dated December 1, 2015 (the “Second Supplement”) all among the City, as mortgagor, and Wells Fargo Bank, National Association in Minneapolis, Minnesota as Trustee and mortgagee (the “Trustee,” which term includes any successor trustee under the Indenture) (collectively, the “Indenture”).

This Bond (the “Series 2015B Bond”) is issued in the principal amount of \$8,405,000 to finance various improvements to and capital expenditures for the existing hospital facilities (the “Hospital”), including without limitation the expansion of the outpatient portion of the surgery center and the acquisition of various hospital equipment (the “Project”), which Hospital is owned by the City. Pursuant to the Indenture, the City has granted to the Trustee a first leasehold mortgage lien on the Project, subject only to Permitted Encumbrances as defined in the Indenture, to secure the Series 2015B Bond and any additional bonds issued pursuant to the Indenture; provided, however, such mortgage lien shall be released and satisfied as provided in the Indenture. Reference is made to the Indenture, copies of which are on file with the Trustee, for a complete description of the agreements and covenants contained therein and a description of the property mortgaged and encumbered thereby.

This Bond is issued and secured on a parity with the City’s existing Series 2006 Bonds (as defined in the Indenture) and the Indenture permits the City to issue additional bonds upon the terms set forth therein, which bonds, if issued, would be secured on a parity with the Series 2006 Bonds and this Series 2015B Bond (collectively, the “Bonds”) by the net revenues and property mortgaged and encumbered by the Indenture.

This Series 2015B Bond is issued pursuant to and in full compliance with the City’s Charter, the Constitution and laws of the State of Minnesota, particularly Minnesota Statutes, Sections 447.45 to 447.50, inclusive, as amended, and pursuant to the Indenture. The Bonds are not a general obligation of the City and the taxing power of the City is not pledged to the payment of the Bonds or the interest thereon. The Bonds are limited obligations of the City. Principal of, premium, if any, and interest on the Bonds are payable solely out of the Net Revenues of the Hospital (together with certain proceeds of the Bonds, amounts in the Reserve Fund established under the Indenture, except as otherwise provided therein, the net proceeds of insurance claims or condemnation awards or amounts realized from the sale or other disposition of the Trust Estate pursuant to the Indenture). The pledge of Net Revenues to the payment of Bonds is a first and prior lien on the Net Revenues. No Holder of this Bond shall ever have the right to compel any exercise of the full faith and credit and taxing power of the City to pay this Bond or the interest hereon, or to enforce payment thereof against any property of the City other than Net Revenues. The State of Minnesota and the Counties of Rice and Dakota shall not in any event be liable for the payment of the principal of, premium, if any, or interest on the Bonds or for the performance of any pledge, mortgage, obligation or agreement of any kind whatsoever that may be undertaken by the City. Neither the Bonds nor any of the agreements or obligations of the City relating thereto shall be construed to constitute an indebtedness of the State of Minnesota, the Counties of Rice and Dakota or the City within the meaning of any constitutional or statutory provisions whatsoever, nor constitute or give rise to a pecuniary liability or be a charge against the general credit or taxing powers of the State, Counties or City. The issuance of this Bond does not cause the indebtedness of the City to exceed any constitutional or statutory or Charter limitation.

Additional bonds with a parity or subordinate lien to the lien of the Bonds on the Net Revenues of the Hospital may be issued by the City as provided in the Indenture.

The Bonds are subject to redemption at the option of the City prior to the Maturity Date in whole on any date, upon 30 days' prior written notice to the Trustee and the Holder hereof, at a price equal to the principal amount thereof plus accrued interest to the date of redemption upon the occurrence of any of the following events: (1) the Hospital Facilities (as defined in the Indenture) shall have been damaged or destroyed to such extent that, in the reasonable opinion of the City, the completion time for the repair and restoration thereof will exceed six months, or (2) there occurs the condemnation of all or substantially all of the Hospital Facilities or the taking by eminent domain of such use or control of the Hospital Facilities so as to render the Hospital Facilities unsatisfactory for this intended use for a period of at least 90 days.

The Series 2015B Bond is subject to redemption and prepayment at the option of the City prior to the Maturity Date, in whole or in part, on November 1, 2020, or any date thereafter, upon 30 days' prior written notice to the Trustee and the Holder hereof, at a price equal to the principal amount hereof to be redeemed, plus accrued interest to the redemption date.

All Bonds so called for redemption will cease to bear interest on the specified redemption date, provided funds for their redemption have been duly deposited, and, except for the purpose of payment, shall no longer be protected by the Indenture and shall not be deemed Outstanding under the provisions of the Indenture.

Upon the occurrence of an Event of Default, as defined in the Indenture, and subject to certain other conditions, but only during any period in which the Bonds are secured by a leasehold mortgage lien on the Land (as defined in the Indenture), the principal of all the Bonds may be declared due and payable in the manner and with the effect provided in the Indenture.

If provision is made for the payment of principal of, premium, if any, and interest on this Bond in accordance with the Indenture, this Bond shall no longer be deemed Outstanding under the Indenture, shall cease to be entitled to the benefits of the Indenture and shall thereafter be payable solely from the funds provided for such payment.

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the City and the rights of the Holders of the Bonds at any time with the consent of the Holders of a majority in aggregate principal amount of the Bonds at the time Outstanding which are affected by such amendment or modification. The Indenture also contains provisions permitting Holders of a majority in aggregate principal amount of the Bonds of all series at the time Outstanding, on behalf of all the Holders of all the Bonds, to waive compliance by the City with certain provisions of the Indenture and certain past defaults under the Indenture and their consequences. Any such consent or waiver by the Holder of this Bond shall be conclusive and binding upon such Holder and on all future Holders of this Bond and of any Bond issued in lieu hereof whether or not notation of such consent or waiver is made upon this Bond.

The Holder of this Bond shall have no right to enforce the provisions of the Indenture, to institute action to enforce the covenants therein, to take any action with respect to a default under the Indenture or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Indenture.

As provided in the Indenture and subject to certain limitations therein set forth, this Bond is transferable on the Bond Register upon surrender of this Bond for transfer to the Trustee as Bond Registrar duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the City and the Bond Registrar duly executed by, the Holder hereof or its attorney duly authorized in writing, and thereupon a new Bond of the same series, for the same aggregate principal amount and of the same stated maturity and interest rate will be issued to the designated transferee or transferees.

No service charge shall be made for any transfer or exchange hereinbefore referred to, but the City or Bond Registrar may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

The City, the Trustee and any agent of the City may treat the person in whose name this Bond is registered as the absolute owner hereof for all purposes whether or not this Bond is overdue, and neither the City, the Trustee nor any such agent shall be affected by notice to the contrary.

This Series 2015B Bond has been designated by the City as a “qualified tax-exempt obligation” for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all conditions, acts and things required to exist, to happen and to be performed precedent to or in the issuance of this Bond and the issue of which it is a part do exist, have happened and have been performed in regular and due form as required by law, and that the issuance of this Bond and the series of which it forms a part, together with all other obligations of the City, does not exceed or violate any constitutional, statutory or charter limitation of indebtedness.

Additional provisions of this Bond are contained on the reverse hereof and such provisions shall for all purposes have the same effect as though fully set forth hereon.

Unless the certificate of authentication hereon has been executed by the Trustee by manual signature of one of its authorized representatives, this Bond shall not be entitled to any benefit under the Indenture or be valid or obligatory for any purpose.

IN WITNESS WHEREOF, the City of Northfield, Dakota and Rice Counties, Minnesota, has caused this Bond to be executed in its behalf by the manual signatures of its Mayor and its City Clerk, the corporate seal of the City having been intentionally omitted as permitted by law.

Dated: _____

CITY OF NORTHFIELD, MINNESOTA

Mayor

City Clerk

CERTIFICATE OF AUTHENTICATION

This is one of the Bonds of the series designated therein referred to in the withinmentioned Indenture.

Wells Fargo Bank, National Association, as
Trustee

By _____
Authorized Representative

ABBREVIATIONS

The following abbreviations, when used in the inscription on the face of this Bond, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM - as tenants in common

TENANT - as tenants by the entireties

JT TEN - as joint tenants with right of survivorship and not as tenants in common

UTMA - _____ as custodian for _____

(Cust)

(Minor)

under the _____ Uniform Transfers to Minors Act

(State)

Additional abbreviations may also be used though not in the above list.

ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto _____ the within Bond and does hereby irrevocably constitute and appoint _____ attorney to transfer the Bond on the books kept for the registration thereof, with full power of substitution in the premises.

Dated: _____

Notice: The assignor's signature to this assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or any change whatever.

Signature Guaranteed:

Signature(s) must be guaranteed by a national bank or trust company or by a brokerage firm having a membership in one of the major stock exchanges or any other "Eligible Guarantor Institution" as defined in 17 CFR 240.17 Ad-15(a)(2).

The Bond Registrar will not effect transfer of this Bond unless the information concerning the transferee requested below is provided.

Name and Address: _____

(Include information for all joint owners if the Bond is held by joint account.)

Exhibit A to Bond
Schedule of Principal and Interest Payments

Period Ending	Principal	Interest	Semi-Annual Debt Service	Annual Debt Service
12/29/2015				
05/01/2016		84,881.16	84,881.16	
11/01/2016	440,000	125,234.50	565,234.50	
12/31/2016				650,115.66
05/01/2017		118,678.50	118,678.50	
11/01/2017	470,000	118,678.50	588,678.50	
12/31/2017				707,357.00
05/01/2018		111,675.50	111,675.50	
11/01/2018	485,000	111,675.50	596,675.50	
12/31/2018				708,351.00
05/01/2019		104,449.00	104,449.00	
11/01/2019	495,000	104,449.00	599,449.00	
12/31/2019				703,898.00
05/01/2020		97,073.50	97,073.50	
11/01/2020	510,000	97,073.50	607,073.50	
12/31/2020				704,147.00
05/01/2021		89,474.50	89,474.50	
11/01/2021	525,000	89,474.50	614,474.50	
12/31/2021				703,949.00
05/01/2022		81,652.00	81,652.00	
11/01/2022	540,000	81,652.00	621,652.00	
12/31/2022				703,304.00
05/01/2023		73,606.00	73,606.00	
11/01/2023	560,000	73,606.00	633,606.00	
12/31/2023				707,212.00
05/01/2024		65,262.00	65,262.00	
11/01/2024	575,000	65,262.00	640,262.00	
12/31/2024				705,524.00
05/01/2025		56,694.50	56,694.50	
11/01/2025	3,805,000	56,694.50	3,861,694.50	
12/31/2025				3,918,389.00
	8,405,000	1,807,246.66	10,212,246.66	10,212,246.66

EXHIBIT C

FORM OF SERIES 2016A BOND

UNITED STATES OF AMERICA
STATE OF MINNESOTA
COUNTIES OF DAKOTA AND RICE
CITY OF NORTHFIELD
HOSPITAL REVENUE REFUNDING BOND,
SERIES 2016A

No. R-1

\$22,375,000

INTEREST <u>RATE</u>	<u>MATURITY DATE</u>	DATE OF <u>ISSUANCE</u>
2.56%	August 1, 2031	August 5, 2016

The City of Northfield, Minnesota, a municipality organized and existing under the Constitution, laws of the State of Minnesota and Charter of the City (hereinafter called the “City”), for value received, hereby promises to pay to TCF Investments Management, Inc., a Minnesota corporation (the “Holder”), from the source and in the manner hereinafter provided, the principal sum of TWENTY-TWO MILLION THREE HUNDRED SEVENTY-FIVE THOUSAND and no hundredths DOLLARS (\$22,375,000), or so much thereof as has been advanced and remains unpaid from time to time (the “Principal Balance”), with interest thereon from the date hereof until paid or otherwise discharged at the rate of 2.56% per annum, in any coin or currency which at the time or times of payment is legal tender for the payment of public or private debts in the United States of America, in accordance with the terms hereinafter set forth.

Principal of and accrued interest on this Bond shall be payable on the 1st day of each month (each a “Payment Date”) commencing September 1, 2016 and continuing through August 1, 2031 (the “Maturity Date”) in 179 equal monthly installments of \$149,785.00 each plus a final installment of \$149,642.96 (or the actual remaining Principal Balance and accrued interest on the Maturity Date). Payments shall be applied first to amounts which are neither principal nor interest, next to interest due on the Principal Balance and thereafter to reduction of the Principal Balance. If any Payment Date should not be a Business Day (as defined in the Indenture referred to below), such payment shall be made on the next succeeding Business Day, without additional interest accruing thereon for the period after such Payment Date (whether or not such next succeeding Business Day occurs in a succeeding month) and such payment shall be treated as if received on the Payment Date.

This Bond is issued under an Amended and Restated Indenture of Trust, dated as of August 1, 2016 (the “Indenture”), by and between the City and Wells Fargo Bank, National Association, in Minneapolis, Minnesota, as Trustee (the “Trustee,” which term includes any successor trustee under the Indenture).

Upon the failure to pay the principal of or interest on this Bond when due or upon the occurrence of any Event of Default, as defined in the Indenture, interest on the Principal Balance shall accrue, from the date on which the Holder notifies the Borrower in writing of such Event of Default, at a rate per annum equal to the sum of the interest rate otherwise payable hereunder plus (a) 400 basis points, in the case of a monetary Event of Default; or (b) 200 basis points, in the case of a non-monetary Event of Default under the Indenture (“Default Rate”). A late payment fee in an amount equal to 5% of the delinquent amount shall be paid with respect to all payments not made within 10 days of the date due; provided however, that such late payment fee does not apply to any amounts due by reason of acceleration.

Upon a Determination of Taxability, as defined below, this Bond shall convert to a taxable obligation and the interest rate for interest accruing from the Date of Taxability, as defined in below, shall be adjusted to an interest rate per annum equal to the then current Initial Rate or Adjusted Rate divided by .65 (the “Taxable Rate”). Any interest accruing from the Date of Taxability which is retroactively due as a result of the interest rate adjustment shall be payable on the 1st day of the following month along with regularly scheduled principal payment and interest accruing from the previous payment date at the Taxable Rate. The interest rate as adjusted shall remain in effect through and including the Maturity Date. Notwithstanding anything to the contrary in the Indenture or this Bond, a Determination of Taxability will not constitute an Event of Default with respect to this Bond. For the purpose of this paragraph, a “Determination of Taxability” shall mean the issuance of a statutory notice of deficiency by the Internal Revenue Service, or a ruling of the National Office or any District Office of the Internal Revenue Service, or a final decision, judgment or order of a court of competent jurisdiction, or an enactment of federal legislation which holds or provides in effect that the interest payable on this Bond is included, for federal income tax purposes under Section 103 of the Code in the gross income of the Holder hereof for any reason, if the period, if any, for contest or appeal of such action, ruling or decision by the City or the Holder or any other interested party has expired without any such contest or appeal having been properly instituted by the City, the Holder or any other interested party. The expenses of any such contest shall be paid by the party initiating the contest, and neither the Holder nor the City shall be required to contest or appeal any Determination of Taxability. The “Date of Taxability” shall mean that point in time, as specified in the determination, ruling, order, or decision, that the interest payable on this Bond becomes includible in the gross income of the Holder hereof for federal income tax purposes.

This Bond (the “Series 2016A Bond”) is issued in the principal amount of \$22,375,000 to refund the City’s Series 2006 Bonds (as defined in the Indenture) previously issued to finance or refinance various improvements to and capital expenditures for the City’s existing hospital facilities (the “Hospital”). Reference is made to the Indenture, copies of which are on file with the Trustee, for a complete description of the agreements and covenants contained therein and a description of the trust estate pledged thereby.

This Bond is issued and secured on a parity with the City’s existing Series 2015B Bond (as defined in the Indenture), issued on December 29, 2015, and the City’s Series 2016B issued simultaneously herewith (both as defined in the Indenture) and the Indenture permits the City to issue additional bonds upon the terms set forth therein, which bonds, if issued, would be secured on a parity with the Series 2015B Bond, the Series 2016B Bond and this Series 2016A

Bond (collectively, the “Bonds”) by the Net Revenues and Trust Estate pledged under and defined in the Indenture.

This Series 2016A Bond is issued pursuant to and in full compliance with the City’s Charter and the Constitution and laws of the State of Minnesota, particularly Minnesota Statutes, Sections 447.45 to 447.50, inclusive, as amended, and pursuant to the Indenture. This Series 2016A Bond is not a general obligation of the City and the taxing power of the City is not pledged to the payment of this Series 2016A Bond or the interest thereon. This Series 2016A Bond is a limited obligation of the City. Principal of, premium, if any, and interest on this Series 2016A Bond are payable solely out of the Net Revenues of the Hospital (together with certain proceeds of this Series 2016A Bond, except as otherwise provided therein, the net proceeds of insurance claims or condemnation awards or amounts realized from the sale or other disposition of the Trust Estate pursuant to the Indenture). The pledge of Net Revenues to the payment of Bonds is a first and prior lien on the Net Revenues. No Holder of this Series 2016A Bond shall ever have the right to compel any exercise of the full faith and credit and taxing power of the City to pay this Series 2016A Bond or the interest hereon, or to enforce payment thereof against any property of the City other than Net Revenues. The State of Minnesota and the Counties of Rice and Dakota shall not in any event be liable for the payment of the principal of, premium, if any, or interest on this Series 2016A Bond or for the performance of any pledge, obligation or agreement of any kind whatsoever that may be undertaken by the City. Neither this Series 2016A Bond nor any of the agreements or obligations of the City relating thereto shall be construed to constitute an indebtedness of the State of Minnesota, the Counties of Rice and Dakota (the “Counties”) or the City within the meaning of any constitutional or statutory provisions whatsoever, nor constitute or give rise to a pecuniary liability or be a charge against the general credit or taxing powers of the State, Counties or City. The issuance of this Series 2016A Bond does not cause the indebtedness of the City to exceed any constitutional or statutory or Charter limitation.

Additional bonds with a parity or subordinate lien to the lien of the Bonds on the Net Revenues of the Hospital may be issued by the City as provided in the Indenture.

This Series 2016A Bond is subject to redemption at the option of the City prior to the Maturity Date in whole on any date, upon 30 days’ prior written notice to the Trustee and the Holder hereof, at a price equal to the principal amount thereof plus accrued interest to the date of redemption upon the occurrence of any of the following events: (1) the Hospital Facilities (as defined in the Indenture) shall have been damaged or destroyed to such extent that, in the reasonable opinion of the City, the completion time for the repair and restoration thereof will exceed six months, or (2) there occurs the condemnation of all or substantially all of the Hospital Facilities or the taking by eminent domain of such use or control of the Hospital Facilities so as to render the Hospital Facilities unsatisfactory for this intended use for a period of at least 90 days.

This Series 2016A Bond is subject to redemption at the option of the City, in whole or in part, on any date, upon 30 days’ prior written notice to the Trustee and the Holder hereof, at a price equal to the principal amount hereof to be redeemed, plus accrued interest to the redemption date, plus a prepayment premium (the “Prepayment Premium”) as set forth in **Attachment 1** attached hereto.

All Bonds so called for redemption will cease to bear interest on the specified redemption date, provided funds for their redemption have been duly deposited, and, except for the purpose of payment, shall no longer be protected by the Indenture and shall not be deemed Outstanding under the provisions of the Indenture.

If provision is made for the payment of principal of, premium, if any, and interest on this Bond in accordance with the Indenture, this Bond shall no longer be deemed Outstanding under the Indenture, shall cease to be entitled to the benefits of the Indenture and shall thereafter be payable solely from the funds provided for such payment.

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the City and the rights of the Holders of the Bonds at any time with the consent of the Holders of a majority in aggregate principal amount of the Bonds at the time Outstanding which are affected by such amendment or modification. The Indenture also contains provisions permitting Holders of a majority in aggregate principal amount of the Bonds of all series at the time Outstanding, on behalf of all the Holders of all the Bonds, to waive compliance by the City with certain provisions of the Indenture and certain past defaults under the Indenture and their consequences. Any such consent or waiver by the Holder of this Bond shall be conclusive and binding upon such Holder and on all future Holders of this Bond and of any Bond issued in lieu hereof whether or not notation of such consent or waiver is made upon this Bond.

The Holder of this Bond shall have no right to enforce the provisions of the Indenture, to institute action to enforce the covenants therein, to take any action with respect to a default under the Indenture or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Indenture.

As provided in the Indenture and subject to certain limitations therein set forth, this Bond is transferable on the Bond Register upon surrender of this Bond for transfer to the Trustee as Bond Registrar duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the City and the Bond Registrar duly executed by, the Holder hereof or its attorney duly authorized in writing, and thereupon a new Bond of the same series, for the same aggregate principal amount and of the same stated maturity and interest rate will be issued to the designated transferee or transferees.

No service charge shall be made for any transfer or exchange hereinbefore referred to, but the City or Bond Registrar may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

The City, the Trustee and any agent of the City may treat the person in whose name this Bond is registered as the absolute owner hereof for all purposes whether or not this Bond is overdue, and neither the City, the Trustee nor any such agent shall be affected by notice to the contrary.

This Bond has not been designated by the City as a “qualified tax-exempt obligation” for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all conditions, acts and things required to exist, to happen and to be performed precedent to or in the issuance of this Bond and the issue of which it is a part do exist, have happened and have been performed in regular and due form as required by law, and that the issuance of this Bond and the series of which it forms a part, together with all other obligations of the City, does not exceed or violate any constitutional, statutory or charter limitation of indebtedness.

Unless the certificate of authentication hereon has been executed by the Trustee by manual signature of one of its authorized representatives, this Bond shall not be entitled to any benefit under the Indenture or be valid or obligatory for any purpose.

IN WITNESS WHEREOF, the City of Northfield, Dakota and Rice Counties, Minnesota, has caused this Bond to be executed in its behalf by the manual signatures of its Mayor and its City Clerk, the corporate seal of the City having been intentionally omitted as permitted by law, dated as of the date of issuance set forth above.

CITY OF NORTHFIELD, MINNESOTA

Mayor

City Clerk

CERTIFICATE OF AUTHENTICATION

This is one of the Bonds of the series designated therein referred to in the withinmentioned Indenture.

Wells Fargo Bank, National Association, as Trustee

By _____
Authorized Representative

ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto _____ the within Bond and does hereby irrevocably constitute and appoint _____ attorney to transfer the Bond on the books kept for the registration thereof, with full power of substitution in the premises.

Dated: _____

Notice: The assignor's signature to this assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or any change whatever.

Signature Guaranteed:

Signature(s) must be guaranteed by a national bank or trust company or by a brokerage firm having a membership in one of the major stock exchanges or any other "Eligible Guarantor Institution" as defined in 17 CFR 240.17 Ad-15(a)(2).

The Bond Registrar will not effect transfer of this Bond unless the information concerning the transferee requested below is provided.

Name and Address: _____

(Include information for all joint owners if the Bond is held by joint account.)

Attachment 1

Prepayment Provisions

A prepayment fee shall apply to the then outstanding principal amount being prepaid as follows:

City acknowledges that the loan evidenced by this Series 2016A Bond was made at the interest rate set forth therein (the “Loan Rate”) by the Series 2016A Original Purchaser (as defined in the Indenture) on the basis and assumption that the Series 2016A Original Purchaser would receive the payments of principal and interest set forth in this Series 2016A Bond for the full term through August 1, 2031 (the “Maturity Date”). Therefore, if, on or before the Maturity Date, any prepayment of the Principal Balance of this Series 2016A Bond shall occur, whether voluntary or involuntary, whether effected by a credit bid, or whether by reason of acceleration upon an Event of Default or any transfer or conveyance of any right, title or interest in the Property giving Original Purchaser the right to accelerate the maturity of the Note shall occur, other than (i) any prepayment of the Principal Balance during any calendar year that, together with any other prepayments of the Principal Balance during the same calendar year, would not exceed 10% of the original Principal Balance during the first calendar year, or 10% of the outstanding Principal Balance as of January 1st for any subsequent calendar year; and (ii) any prepayment within the 6 months preceding the Maturity Date, and (iii) in accordance with Section 4.02(c) of the Indenture, then City shall pay to the Series 2016A Original Purchaser, concurrently with such prepayment, a prepayment premium (the “Prepayment Premium”) equal to the greater of (A) the Yield Amount (as hereinafter defined), or (B) 1% of the principal amount being prepaid; provided, however, that the Prepayment Premium shall not in any event exceed the maximum prepayment fee permitted by applicable law.

The “Yield Amount” shall be the amount calculated as follows:

(i) The Series 2016A Original Purchaser shall first determine, as of the Redemption Date (as defined in the Indenture), the amount, if any, by which the applicable Loan Rate to this Series 2016A Bond exceeds the sum of (aa) the yield to maturity percentage (the “Current Yield”) for the actively traded United States Treasury bond, bill or note (the “Treasury Security”) closest in maturity to the Maturity Date, as published in The Wall Street Journal on the 15th Business Day preceding the Redemption Date, plus (bb) one percentage point (1%). If publication of (A) The Wall Street Journal or (B) the Current Yield of the Treasury Security in The Wall Street Journal is discontinued, the Series 2016A Original Purchaser, in its sole discretion, shall designate another daily financial or governmental publication of national circulation to be used to determine the Current Yield;

(ii) The difference calculated pursuant to subsection (i) above shall be multiplied by the outstanding principal balance of this Series 2016A Bond being prepaid as of the Redemption Date (plus the principal balance of any partial prepayments previously made in the same calendar year which did not include a Prepayment Premium);

(iii) The product calculated pursuant to subsection (ii) above shall be multiplied by the quotient, rounded to the nearest one-hundredth of one percent, obtained by dividing (A) the

number of days from and including the Redemption Date to and including the Maturity Date, by (B) 365; and

(iv) The product calculated pursuant to subsection (iii) above shall be discounted at the annual rate of the Adjusted Current Yield (where the “Adjusted Current Yield” means the Current Yield adjusted to reflect the difference in timing of semi-annual payments of interest on the United States Treasury Security and monthly payments due hereunder) to the present value thereof as of the Redemption Date, on the assumption that said sum would be received in equal monthly installments on each monthly anniversary of the Redemption Date prior to the Maturity Date, with the final such installment to be deemed received on the Maturity Date. City shall not be entitled in any event to a credit against, or a reduction of, the indebtedness being prepaid if the Adjusted Current Yield exceeds the Loan Rate.

Any prepayment of the Principal Balance shall result in a forfeiture of the rights of the City to any future Loan Rate adjustment under this Series 2016A Bond, if applicable, with respect to the Principal Balance prepaid, and the Yield Amount shall be determined on the assumption that the applicable Loan Rate with respect to such prepayment, at the time of prepayment, would have remained unchanged until the Maturity Date. Partial prepayments applied to the Principal Balance (after deduction of any applicable Prepayment Premium due hereunder) shall be applied to the installments of principal due on this Series 2016A Bond in inverse order of their maturities. City acknowledges that any Prepayment Premium due hereunder is secured by the collateral securing this Series 2016A Bond.

EXHIBIT D

FORM OF SERIES 2016B BOND

UNITED STATES OF AMERICA
STATE OF MINNESOTA
COUNTIES OF DAKOTA AND RICE
CITY OF NORTHFIELD
HOSPITAL REVENUE BOND,
SERIES 2016B

No. R-1

\$2,625,000

<u>INTEREST RATE</u>	<u>MATURITY DATE</u>	<u>DATE OF ISSUANCE</u>
2.56%	August 1, 2031	August 5, 2016

The City of Northfield, Minnesota, a municipality organized and existing under the Constitution, laws of the State of Minnesota and Charter of the City (hereinafter called the “City”), for value received, hereby promises to pay to The First National Bank of Northfield, a national banking association (the “Holder”), from the source and in the manner hereinafter provided, the principal sum of TWO MILLION SIX HUNDRED TWENTY-FIVE THOUSAND and no hundredths DOLLARS (\$2,625,000), or so much thereof as has been advanced and remains unpaid from time to time (the “Principal Balance”), with interest thereon from the date hereof until paid or otherwise discharged at the rate of 2.56% per annum, in any coin or currency which at the time or times of payment is legal tender for the payment of public or private debts in the United States of America, in accordance with the terms hereinafter set forth.

Principal of and accrued interest on this Bond shall be payable on the 1st day of each month (each a “Payment Date”) commencing September 1, 2016 and continuing through August 1, 2031 (the “Maturity Date”) in 179 equal monthly installments of \$17,575.00 each plus a final installment of \$17,019.55 (or the actual remaining Principal Balance and accrued interest on the Maturity Date). Payments shall be applied first to amounts which are neither principal nor interest, next to interest due on the Principal Balance and thereafter to reduction of the Principal Balance. If any Payment Date should not be a Business Day (as defined in the Indenture referred to below), such payment shall be made on the next succeeding Business Day, without additional interest accruing thereon for the period after such Payment Date (whether or not such next succeeding Business Day occurs in a succeeding month) and such payment shall be treated as if received on the Payment Date.

This Bond is issued under an Amended and Restated Indenture of Trust, dated as of August 1, 2016 (the “Indenture”), by and between the City and Wells Fargo Bank, National Association, in Minneapolis, Minnesota, as Trustee (the “Trustee,” which term includes any successor trustee under the Indenture).

Upon the failure to pay the principal of or interest on this Bond when due or upon the occurrence of any Event of Default, as defined in the Indenture, interest on the Principal Balance shall accrue, from the date on which the Holder notifies the Borrower in writing of such Event of Default, at a rate per annum equal to the sum of the interest rate otherwise payable hereunder plus (a) 400 basis points, in the case of a monetary Event of Default; or (b) 200 basis points, in the case of a non-monetary Event of Default under the Indenture (“Default Rate”). A late payment fee in an amount equal to 5% of the delinquent amount shall be paid with respect to all payments not made within 10 days of the date due; provided however, that such late payment fee does not apply to any amounts due by reason of acceleration.

Upon a Determination of Taxability, as defined below, this Bond shall convert to a taxable obligation and the interest rate for interest accruing from the Date of Taxability, as defined in below, shall be adjusted to an interest rate per annum equal to the then current Initial Rate or Adjusted Rate divided by .65 (the “Taxable Rate”). Any interest accruing from the Date of Taxability which is retroactively due as a result of the interest rate adjustment shall be payable on the 1st day of the following month along with regularly scheduled principal payment and interest accruing from the previous payment date at the Taxable Rate. The interest rate as adjusted shall remain in effect through and including the Maturity Date. Notwithstanding anything to the contrary in the Indenture or this Bond, a Determination of Taxability will not constitute an Event of Default with respect to this Bond. For the purpose of this paragraph, a “Determination of Taxability” shall mean the issuance of a statutory notice of deficiency by the Internal Revenue Service, or a ruling of the National Office or any District Office of the Internal Revenue Service, or a final decision, judgment or order of a court of competent jurisdiction, or an enactment of federal legislation which holds or provides in effect that the interest payable on this Bond is included, for federal income tax purposes under Section 103 of the Code in the gross income of the Holder hereof for any reason, if the period, if any, for contest or appeal of such action, ruling or decision by the City or the Holder or any other interested party has expired without any such contest or appeal having been properly instituted by the City, the Holder or any other interested party. The expenses of any such contest shall be paid by the party initiating the contest, and neither the Holder nor the City shall be required to contest or appeal any Determination of Taxability. The “Date of Taxability” shall mean that point in time, as specified in the determination, ruling, order, or decision, that the interest payable on this Bond becomes includible in the gross income of the Holder hereof for federal income tax purposes.

This Bond (the “Series 2016B Bond”) is issued in the principal amount of \$2,625,000 to acquire, construct and equip improvements, additions, extensions, renewals or replacements to the City’s existing hospital facilities (the “Hospital”) including without limitation improvements to the urgent care center and the obstetrics unit. Reference is made to the Indenture, copies of which are on file with the Trustee, for a complete description of the agreements and covenants contained therein and a description of the trust estate pledged thereby.

This Bond is issued and secured on a parity with the City’s existing Series 2015B Bond (as defined in the Indenture), issued on December 29, 2015, and the City’s Series 2016A Bonds issued simultaneously herewith (both as defined in the Indenture) and the Indenture permits the City to issue additional bonds upon the terms set forth therein, which bonds, if issued, would be secured on a parity with the Series 2015B Bond, the Series 2016A Bond and

this Series 2016B Bond (collectively, the “Bonds”) by the Net Revenues and Trust Estate pledged under and defined in the Indenture

This Series 2016B Bond is issued pursuant to and in full compliance with the City’s Charter and the Constitution and laws of the State of Minnesota, particularly Minnesota Statutes, Sections 447.45 to 447.50, inclusive, as amended, and pursuant to the Indenture. This Series 2016B Bond is not a general obligation of the City and the taxing power of the City is not pledged to the payment of this Series 2016B Bond or the interest thereon. This Series 2016B Bond is a limited obligation of the City. Principal of, premium, if any, and interest on this Series 2016B Bond are payable solely out of the Net Revenues of the Hospital (together with certain proceeds of this Series 2016B Bond, except as otherwise provided therein, the net proceeds of insurance claims or condemnation awards or amounts realized from the sale or other disposition of the Trust Estate pursuant to the Indenture). The pledge of Net Revenues to the payment of Bonds is a first and prior lien on the Net Revenues. No Holder of this Series 2016B Bond shall ever have the right to compel any exercise of the full faith and credit and taxing power of the City to pay this Series 2016B Bond or the interest hereon, or to enforce payment thereof against any property of the City other than Net Revenues. The State of Minnesota and the Counties of Rice and Dakota shall not in any event be liable for the payment of the principal of, premium, if any, or interest on this Series 2016B Bond or for the performance of any pledge, obligation or agreement of any kind whatsoever that may be undertaken by the City. Neither this Series 2016B Bond nor any of the agreements or obligations of the City relating thereto shall be construed to constitute an indebtedness of the State of Minnesota, the Counties of Rice and Dakota (the “Counties”) or the City within the meaning of any constitutional or statutory provisions whatsoever, nor constitute or give rise to a pecuniary liability or be a charge against the general credit or taxing powers of the State, Counties or City. The issuance of this Series 2016B Bond does not cause the indebtedness of the City to exceed any constitutional or statutory or Charter limitation.

Additional bonds with a parity or subordinate lien to the lien of the Bonds on the Net Revenues of the Hospital may be issued by the City as provided in the Indenture.

This Series 2016B Bond is subject to redemption at the option of the City prior to the Maturity Date in whole on any date, upon 30 days’ prior written notice to the Trustee and the Holder hereof, at a price equal to the principal amount thereof plus accrued interest to the date of redemption upon the occurrence of any of the following events: (1) the Hospital Facilities (as defined in the Indenture) shall have been damaged or destroyed to such extent that, in the reasonable opinion of the City, the completion time for the repair and restoration thereof will exceed six months, or (2) there occurs the condemnation of all or substantially all of the Hospital Facilities or the taking by eminent domain of such use or control of the Hospital Facilities so as to render the Hospital Facilities unsatisfactory for this intended use for a period of at least 90 days.

This Series 2016B Bond is subject to redemption at the option of the City, in whole or in part, on any date, upon 30 days’ prior written notice to the Trustee and the Holder hereof, at a price equal to the principal amount hereof to be redeemed, plus accrued interest to the redemption date, plus a prepayment premium (the “Prepayment Premium”) as set forth in **Attachment 1** attached hereto.

All Bonds so called for redemption will cease to bear interest on the specified redemption date, provided funds for their redemption have been duly deposited, and, except for the purpose of payment, shall no longer be protected by the Indenture and shall not be deemed Outstanding under the provisions of the Indenture.

If provision is made for the payment of principal of, premium, if any, and interest on this Bond in accordance with the Indenture, this Bond shall no longer be deemed Outstanding under the Indenture, shall cease to be entitled to the benefits of the Indenture and shall thereafter be payable solely from the funds provided for such payment.

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the City and the rights of the Holders of the Bonds at any time with the consent of the Holders of a majority in aggregate principal amount of the Bonds at the time Outstanding which are affected by such amendment or modification. The Indenture also contains provisions permitting Holders of a majority in aggregate principal amount of the Bonds of all series at the time Outstanding, on behalf of all the Holders of all the Bonds, to waive compliance by the City with certain provisions of the Indenture and certain past defaults under the Indenture and their consequences. Any such consent or waiver by the Holder of this Bond shall be conclusive and binding upon such Holder and on all future Holders of this Bond and of any Bond issued in lieu hereof whether or not notation of such consent or waiver is made upon this Bond.

The Holder of this Bond shall have no right to enforce the provisions of the Indenture, to institute action to enforce the covenants therein, to take any action with respect to a default under the Indenture or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Indenture.

As provided in the Indenture and subject to certain limitations therein set forth, this Bond is transferable on the Bond Register upon surrender of this Bond for transfer to the Trustee as Bond Registrar duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the City and the Bond Registrar duly executed by, the Holder hereof or its attorney duly authorized in writing, and thereupon a new Bond of the same series, for the same aggregate principal amount and of the same stated maturity and interest rate will be issued to the designated transferee or transferees.

No service charge shall be made for any transfer or exchange hereinbefore referred to, but the City or Bond Registrar may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

The City, the Trustee and any agent of the City may treat the person in whose name this Bond is registered as the absolute owner hereof for all purposes whether or not this Bond is overdue, and neither the City, the Trustee nor any such agent shall be affected by notice to the contrary.

This Series 2016B Bond has been designated by the City as a “qualified tax-exempt obligation” for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all conditions, acts and things required to exist, to happen and to be performed precedent to or in the issuance of this Bond and the issue of which it is a part do exist, have happened and have been performed in regular and due form as required by law, and that the issuance of this Bond and the series of which it forms a part, together with all other obligations of the City, does not exceed or violate any constitutional, statutory or charter limitation of indebtedness.

Unless the certificate of authentication hereon has been executed by the Trustee by manual signature of one of its authorized representatives, this Bond shall not be entitled to any benefit under the Indenture or be valid or obligatory for any purpose.

IN WITNESS WHEREOF, the City of Northfield, Dakota and Rice Counties, Minnesota, has caused this Bond to be executed in its behalf by the manual signatures of its Mayor and its City Clerk, the corporate seal of the City having been intentionally omitted as permitted by law, dated as of the date of issuance set forth above.

CITY OF NORTHFIELD, MINNESOTA

Mayor

City Clerk

CERTIFICATE OF AUTHENTICATION

This is one of the Bonds of the series designated therein referred to in the withinmentioned Indenture.

Wells Fargo Bank, National Association, as Trustee

By _____
Authorized Representative

ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto _____ the within Bond and does hereby irrevocably constitute and appoint _____ attorney to transfer the Bond on the books kept for the registration thereof, with full power of substitution in the premises.

Dated: _____

Notice: The assignor's signature to this assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or any change whatever.

Signature Guaranteed:

Signature(s) must be guaranteed by a national bank or trust company or by a brokerage firm having a membership in one of the major stock exchanges or any other "Eligible Guarantor Institution" as defined in 17 CFR 240.17 Ad-15(a)(2).

The Bond Registrar will not effect transfer of this Bond unless the information concerning the transferee requested below is provided.

Name and Address: _____

(Include information for all joint owners if the Bond is held by joint account.)

Attachment 1

Prepayment Provisions

A prepayment fee shall apply to the then outstanding principal amount being prepaid as follows:

City acknowledges that the loan evidenced by this Series 2016B Bond was made at the interest rate set forth therein (the “Loan Rate”) by the Series 2016B Original Purchaser (as defined in the Indenture) on the basis and assumption that the Series 2016B Original Purchaser would receive the payments of principal and interest set forth in this Series 2016B Bond for the full term through August 1, 2031 (the “Maturity Date”). Therefore, if, on or before the Maturity Date, any prepayment of the Principal Balance of this Series 2016B Bond shall occur, whether voluntary or involuntary, whether effected by a credit bid, or whether by reason of acceleration upon an Event of Default or any transfer or conveyance of any right, title or interest in the Property giving Original Purchaser the right to accelerate the maturity of the Note shall occur, other than (i) any prepayment of the Principal Balance during any calendar year that, together with any other prepayments of the Principal Balance during the same calendar year, would not exceed 10% of the original Principal Balance during the first calendar year, or 10% of the outstanding Principal Balance as of January 1st for any subsequent calendar year; and (ii) any prepayment within the 6 months preceding the Maturity Date, and (iii) in accordance with Section 4.02(c) of the Indenture, then City shall pay to the Series 2016B Original Purchaser, concurrently with such prepayment, a prepayment premium (the “Prepayment Premium”) equal to the greater of (A) the Yield Amount (as hereinafter defined), or (B) 1% of the principal amount being prepaid; provided, however, that the Prepayment Premium shall not in any event exceed the maximum prepayment fee permitted by applicable law.

The “Yield Amount” shall be the amount calculated as follows:

(i) The Series 2016B Original Purchaser shall first determine, as of the Redemption Date (as defined in the Indenture), the amount, if any, by which the applicable Loan Rate to this Series 2016B Bond exceeds the sum of (aa) the yield to maturity percentage (the “Current Yield”) for the actively traded United States Treasury bond, bill or note (the “Treasury Security”) closest in maturity to the Maturity Date, as published in The Wall Street Journal on the 15th Business Day preceding the Redemption Date, plus (bb) one percentage point (1%). If publication of (A) The Wall Street Journal or (B) the Current Yield of the Treasury Security in The Wall Street Journal is discontinued, the Series 2016B Original Purchaser, in its sole discretion, shall designate another daily financial or governmental publication of national circulation to be used to determine the Current Yield;

(ii) The difference calculated pursuant to subsection (i) above shall be multiplied by the outstanding principal balance of this Series 2016B Bond being prepaid as of the Redemption Date (plus the principal balance of any partial prepayments previously made in the same calendar year which did not include a Prepayment Premium);

(iii) The product calculated pursuant to subsection (ii) above shall be multiplied by the quotient, rounded to the nearest one-hundredth of one percent, obtained by dividing (A) the

number of days from and including the Redemption Date to and including the Maturity Date, by (B) 365; and

(iv) The product calculated pursuant to subsection (iii) above shall be discounted at the annual rate of the Adjusted Current Yield (where the “Adjusted Current Yield” means the Current Yield adjusted to reflect the difference in timing of semi-annual payments of interest on the United States Treasury Security and monthly payments due hereunder) to the present value thereof as of the Redemption Date, on the assumption that said sum would be received in equal monthly installments on each monthly anniversary of the Redemption Date prior to the Maturity Date, with the final such installment to be deemed received on the Maturity Date. City shall not be entitled in any event to a credit against, or a reduction of, the indebtedness being prepaid if the Adjusted Current Yield exceeds the Loan Rate.

Any prepayment of the Principal Balance shall result in a forfeiture of the rights of the City to any future Loan Rate adjustment under this Series 2016B Bond, if applicable, with respect to the Principal Balance prepaid, and the Yield Amount shall be determined on the assumption that the applicable Loan Rate with respect to such prepayment, at the time of prepayment, would have remained unchanged until the Maturity Date. Partial prepayments applied to the Principal Balance (after deduction of any applicable Prepayment Premium due hereunder) shall be applied to the installments of principal due on this Series 2016B Bond in inverse order of their maturities. City acknowledges that any Prepayment Premium due hereunder is secured by the collateral securing this Series 2016B Bond.

EXHIBIT E

NOTICE OF CALL FOR REDEMPTION

NOTICE OF CALL FOR REDEMPTION
HOSPITAL REVENUE BONDS, SERIES 2006
CITY OF NORTHFIELD
DAKOTA AND RICE COUNTIES, MINNESOTA

NOTICE IS HEREBY GIVEN that by order of the City Council of the City of Northfield, Dakota and Rice Counties, Minnesota, there have been called for redemption and prepayment on

November 1, 2016

outstanding bonds of the City designated as Hospital Revenue Bonds, Series 2006, dated August 2, 2006, having stated maturity dates in the years 2017 through 2031, and totaling \$23,840,000 in principal amount. The Bonds are being called at a price of par, plus accrued interest to November 1, 2016, on which date all interest on said Bonds will cease to accrue. Holders of the Bonds hereby called for redemption are requested to present their Bonds for payment, at Wells Fargo Bank, National Association on or before November 1, 2016.

Dated: August 5, 2016

BY ORDER OF THE CITY COUNCIL OF THE
CITY OF NORTHFIELD, MINNESOTA

EXHIBIT F

DRAW REQUEST

Wells Fargo Bank, National Association
600 S 4th St.
MAC N9300-060
Minneapolis, MN 55479
Attn: Corporate Trust Department

Re: City of Northfield- Hospital Revenue Bonds, Series 2016B

Sirs or Madam:

As Board Representative (as defined in that certain Amended and Restated Indenture of Trust, dated as of August 1, 2016, (the "Indenture") executed by and between your bank and the City of Northfield, Minnesota (the "City"), I hereby request as a disbursement from the Construction Account the sums identified on **Exhibit A** to be paid to the parties listed therein in payment (and/or reimbursement for payment previously made by the City) for the work described therein. All capitalized terms not defined herein shall have the meaning ascribed to those terms in the Indenture. A copy of each bill setting forth each item of Project Cost to be paid (and/or reimbursed) as herein provided is attached hereto.

I hereby certify as of the date of this Disbursement Request that:

(a) each item for which payment or reimbursement is requested is or was necessary in connection with the Project, qualifies as a Cost of the Project under the Indenture and, if for the acquisition, construction or equipping of the Project, and that none of such items has formed the basis for any previous payment from the Construction Account;

(b) with respect to all Cost of the Project incurred and to be incurred under any construction contract which provides for the retention of a portion of the contract price, the total amount now and heretofore certified for payment for such Costs does not exceed the approved contract amount after deducting any portion still withheld by the City;

(c) all Costs of the Project now and heretofore certified for payment from the Construction Account do not cause the average maturity of the Bonds to exceed 120% of the average reasonably expected economic life of all of the facilities which have been or are to be financed or refinanced with the proceeds of the Bonds;

Dated: _____

CITY OF NORTHFIELD, MINNESOTA

By _____
Its Hospital Board Representative

EXHIBIT A
TO DRAW REQUEST

I. Direct Payments

<u>Name of Payee</u>	<u>Amount</u>	<u>Nature of Expense</u>
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II. Reimbursement of City for Prior Payments

<u>Amount</u>	<u>Nature of Expense</u>
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Document comparison by Workshare Compare on Saturday, September 29, 2018 12:30:40 PM

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Document 2 ID	PowerDocs://DOCSOPEN/535826/2
Description	DOCSOPEN-#535826-v2-Northfield_Hospital_2018_SECOND_AMENDED_AND_RESTATED_INDENTURE
Rendering set	Standard

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Deletion	
Moved from	
<u>Moved to</u>	
Style change	
Format change	
Moved deletion	
Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

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Moved to	3

Style change	0
Format changed	0
Total changes	103