
**BOARD OF DIRECTORS
NORTHERN INYO HEALTHCARE DISTRICT
COUNTY OF INYO, STATE OF CALIFORNIA**

RESOLUTION NO. 1603

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE NORTHERN INYO
HEALTHCARE DISTRICT AUTHORIZING THE ISSUANCE AND SALE OF THE
DISTRICT'S 2016 GENERAL OBLIGATION REFUNDING BONDS**

Adopted April 20, 2016

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**BOARD OF DIRECTORS
NORTHERN INYO HEALTHCARE DISTRICT
COUNTY OF INYO, STATE OF CALIFORNIA**

RESOLUTION NO. 1603

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE NORTHERN INYO
HEALTHCARE DISTRICT AUTHORIZING THE ISSUANCE AND SALE OF THE
DISTRICT'S 2016 GENERAL OBLIGATION REFUNDING BONDS**

RESOLVED, by the Board of Directors (the "Board") of the Northern Inyo Healthcare District (the "District"), as follows:

WHEREAS, at the June 5, 2005 election, the District received authorization by a vote in excess of two-thirds of the voters voting, to issue \$29,500,000 of general obligation bonds (the "2005 Authorization") for the sole purposes of financing acquisition or improvement of real property for hospital purposes.

WHEREAS, on September 28, 2005, the District issued its "Northern Inyo County Local Hospital District (Inyo County, California) Election of 2005, Series 2005 General Obligation Bonds" (the "2005 Bonds"), in the original principal amount of \$15,035,000, issued for authorized hospital purposes, of which \$13,840,000 principal amount remains outstanding;

WHEREAS, on April 21, 2009, the District issued its "Northern Inyo County Local Hospital District (Inyo County, California) General Obligation Bonds, Election of 2005, Series 2009" (the "2009 Bonds"), in the original principal amount of \$14,464,947.15, issued for authorized hospital purposes, of which \$5,685,000 principal amount of current interest bonds remains outstanding and of which \$8,144,947.15 original principal amount of capital appreciation bonds remains outstanding;

WHEREAS, pursuant to Article 9 of Chapter 3 (commencing with section 53550) of Division 2 of Title 5 of the California Government Code (the "Act"), the District is empowered to issue general obligation refunding bonds;

WHEREAS, the District intends to issue general obligation refunding bonds pursuant to this Resolution and in conformity with the Act to provide for the redemption of all outstanding 2005 Bonds and of the current interest 2009 Bonds maturing on November 1, 2038 (the Refunded 2009 Bonds");

WHEREAS, the Board desires to authorize the issuance of such general obligation refunding bonds (the "Bonds"); and

WHEREAS, the Bonds shall be secured by a sole and exclusive statutory lien on and irrevocable pledge of the *ad valorem* tax or taxes levied for their repayment;

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE NORTHERN INYO HEALTHCARE DISTRICT DOES HEREBY RESOLVE AS FOLLOWS:

ARTICLE I

DEFINITIONS; AUTHORITY

Section 1.01. Definitions. The terms defined in this Section 1.01, as used and capitalized herein, shall, for all purposes of this Resolution, have the meanings ascribed to them below, unless the context clearly requires some other meaning.

"Act" means provisions of Article 9 of Chapter 3 (commencing with section 53550) of Division 2 of Title 5 of the California Government Code, as is in effect on the date of adoption hereof and as amended hereafter.

"Articles," "Sections" and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Resolution, and the words *"herein," "hereof," "hereunder"* and other words of similar import refer to this Resolution as a whole and not to any particular Article, Section or subdivision hereof.

"Authorized Investments" means any investments permitted by law to be made with moneys belonging to, or in the custody of, the District, but only to the extent that the same are acquired at Fair Market Value.

"Board" means the Board of Directors of the District.

"Bond Counsel" means any attorney or firm of attorneys nationally recognized for expertise in rendering opinions as to the legality and tax-exempt status of securities issued by public entities.

"Bond Register" means the registration books for the Bonds maintained by the Paying Agent.

"Bonds" means the Northern Inyo Healthcare District (Inyo County, California) 2016 General Obligation Refunding Bonds, at any time Outstanding pursuant to this Resolution.

"Closing Date" means the date upon which there is an exchange of the Bonds for the proceeds representing the purchase of the Bonds by the Original Purchaser.

"Code" means the Internal Revenue Code of 1986 as in effect on the date of issuance of the Bonds or (except as otherwise referenced herein) as it may be amended to apply to obligations issued on the date of issuance of the Bonds, together with applicable temporary and final regulations promulgated, and applicable official public guidance published, under the Code.

"Costs of Issuance" means all items of expense directly or indirectly reimbursable to the District relating to the issuance, execution and delivery of the Bonds including, but not limited to, filing and recording costs, settlement costs, printing costs, reproduction and binding costs, legal fees and charges, fees and expenses of the Paying Agent, financial and other professional consultant fees, costs of obtaining credit ratings, fees for execution, transportation and safekeeping of the Bonds and charges and fees in connection with the foregoing.

"County" means Inyo County, California.

"Date of Taxability" means the date as of which the interest payable on the Bonds becomes includable in the gross income of the holder of the Bonds for federal income taxation purposes because of a Determination of Taxability.

"Determination of Taxability" means any event or occurrence or any determination, decision or decree made in regard to Section 103 of the Code by the Commissioner of the Internal Revenue Service or any officer of the Internal Revenue Service empowered to make such determinations, or by any court of competent jurisdiction, to the effect that the interest payable on the Bonds is includable in the gross income of the holder of the Bonds for federal income taxation purposes as a result of the failure of the District to comply with the requirements of the Internal Revenue Code or any State of California law with respect to the exemption of income on the Bonds from federal or State of California taxation.

"Debt Service" means the scheduled amount of interest and amortization of principal payable on the Bonds during the period of computation, excluding amounts scheduled during such period which relate to principal which has been retired before the beginning of such period.

"District Representative" means the President of the Board, the Secretary of the Board, the Chief Executive Officer of the District, the Chief Financial Officer of the District, or any other person authorized by this Resolution or other resolution of the Board to act on behalf of the District with respect to this Resolution and the Bonds.

"Escrow Bank" means The Bank of New York Mellon Trust Company, N.A., as escrow bank under the Escrow Agreement.

"Fair Market Value" means the price at which a willing buyer would purchase the investment from a willing seller in a bona fide, arm's length transaction (determined as of the date the contract to purchase or sell the investment becomes binding) if the investment is traded on an established securities market (within the meaning of section 1273 of the Code) and, otherwise, the term *"Fair Market Value"* means the acquisition price in a bona fide arm's length transaction (as referenced above) if (i) the investment is a certificate of deposit that is acquired in accordance with applicable regulations under the Code, (ii) the investment is an agreement with specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate (for example, a guaranteed investment contract, a forward supply contract or other investment agreement) that is acquired in accordance with applicable regulations under the Code, (iii) the investment is a United States Treasury Security—State and Local Government Series that is acquired in accordance with applicable regulations of the United States Bureau of Public Debt, or (iv) any commingled investment fund in which the District and related parties do not own more than a ten percent (10%) beneficial interest therein if the return paid by the fund is without regard to the source of the investment.

"Federal Securities" means United States Treasury Bonds, bills or certificates of indebtedness or those for which the faith and credit of the United States are pledged for the payment of principal and interest.

"Net Proceeds," when used with reference to the Bonds, means the face amount of the Bonds, plus accrued interest and premium, if any, less original issue discount, if any.

"Original Purchaser" means Sterling National Bank.

"Outstanding" means, when used as of any particular time with reference to Bonds, all Bonds except:

(a) Bonds theretofore canceled by the Paying Agent or surrendered to the Paying Agent for cancellation;

(b) Bonds paid or deemed to have been paid within the meaning of Section 9.02 hereof; and

(c) Bonds in lieu of or in substitution for which other Bonds shall have been authorized, executed, issued and delivered by the District pursuant to this Resolution.

"Owner" or *"Bondowner"* mean any person who shall be the registered owner of any Outstanding Bond.

"Paying Agent" means The Bank of New York Mellon Trust Company, N.A., the Paying Agent appointed by the District and acting as paying agent, registrar and authenticating agent for the Bonds, or such other paying agent as shall be appointed by the District prior to the delivery of the Bonds, its successors and assigns, and any other corporation or association which may at any time be substituted in its place, as provided in Section 6.01 hereof.

"Paying Agent Agreement" means the Paying Agent/Bond Registrar/Costs of Issuance Agreement, dated the Closing Date, by and between the District and the Paying Agent.

"Payment Date" means, with respect to interest, May 1 and November 1 of each year commencing on November 1, 2016, and with respect to principal, November 1, of each year commencing on November 1, 2016.

"Principal Office" means the principal corporate trust office of the Paying Agent in San Francisco, California.

"Record Date" means the 15th day of the month preceding each Payment Date.

"Regulations" means temporary and permanent regulations promulgated under the Code.

"Resolution" means this Resolution, including all amendments hereto and supplements hereof which are duly adopted by the Board from time to time in accordance herewith.

"Supplemental Resolution" means any resolution supplemental to or amendatory of this Resolution, adopted by the District in accordance with Article VIII hereof.

"Taxable Rate" means an annual interest rate equal to the original interest rate on the Bonds plus 3.00%.

"2005 Escrow Agreement" means that certain Escrow Deposit and Trust Agreement, dated the Closing Date, by and between the District and the Escrow Bank, providing for the defeasance of the 2005 Bonds.

"2009 Escrow Agreement" means that certain Escrow Deposit and Trust Agreement, dated the Closing Date, by and between the District and the Escrow Bank, providing for the defeasance of the Refunded 2009 Bonds.

"Written Request of the District" means an instrument in writing signed by a District Representative or by any other officer of the District duly authorized by the District and listed on a Written Request of the District for that purpose.

Section 1.02. District for this Resolution. This Resolution is entered into pursuant to the provisions of the Act.

ARTICLE II

THE BONDS

Section 2.01. Authorization. Bonds are hereby authorized to be issued by the District under and subject to the terms of the Act and this Resolution. The amount of Bonds shall be determined following the determination of the interest rate on the Bonds by the Original Purchaser. This Resolution constitutes a continuing agreement with the Owners of all of the Bonds issued or to be issued hereunder and then Outstanding to secure the full and final payment of principal of and the interest on all Bonds which may from time to time be executed and delivered hereunder, subject to the covenants, agreements, provisions and conditions herein contained. The Bonds shall be designated the "Northern Inyo Healthcare District (Inyo County, California) 2016 General Obligation Refunding Bonds."

Section 2.02. Terms of Bonds.

(a) *Form; Numbering.* The Bonds shall be issued as one fully registered bond, without coupons, in the total principal amount thereof.

(b) *Date of Bonds.* The Bonds shall be dated as of the Closing Date.

(c) *Maturity; Interest.* The Bonds shall mature (or, alternatively, be subject to mandatory sinking fund redemption as hereinafter provided) and become payable on November 1 in the years and in the amounts determined following the determination of the interest rate on the Bonds by the Original Purchaser, but shall mature no later than November 1, 2035. The Bonds shall bear interest at such rate or rates as shall be determined upon the sale thereof, payable semi-annually on each Payment Date.

Each Bond shall bear interest from the Payment Date next preceding the date of registration and authentication thereof unless (i) it is registered and authenticated as of an Payment Date, in which event it shall bear interest from such date, or (ii) it is registered and authenticated prior to an Payment Date and after the close of business on the fifteenth day of the month preceding such Payment Date, in which event it shall bear interest from such Payment Date, or (iii) it is registered and authenticated prior to October 15, 2016, in which event it shall bear interest from the date described in paragraph (b) of this Section 2.02; *provided, however,* that if at the time of authentication of a Bond, interest is in default thereon, such Bond shall bear interest from the Payment Date to which interest has previously been paid or made available for payment thereon.

Interest on the Bonds shall be calculated on the basis of a 360-day year comprised of twelve 30-day months.

(d) *Payment.* Interest on the Bonds (including the final interest payment upon maturity or earlier redemption) is payable by check of the Paying Agent mailed via first-class mail to the Owner thereof at such Owner's address as it appears on the Bond Register on each Record Date or at such other address as the Owner may have filed with the Paying Agent for that purpose; provided however, that payment of interest may be by wire transfer in immediately available funds to an account in the United States of America to any Owner of Bonds who shall furnish written wire instructions to the Paying Agent at least five (5) days before the applicable Record Date. Principal of the Bonds is payable in lawful money of the United States of America at the Principal Office.

Section 2.03. Redemption.

(a) *Optional Redemption.* The Bonds are not subject to optional redemption prior to maturity prior to November 1, 2026. The Bonds are subject to optional redemption in whole or in part on any Payment Date, on and after November 1, 2026, at the par amount thereof to be redeemed, plus accrued interest to the date of redemption, without premium. The District shall be required to give the Paying Agent written notice of its intention to redeem Bonds.

(b) *Mandatory Sinking Fund Redemption.* The Bonds shall be subject to mandatory sinking fund redemption on November 1, 2016, to and including November 1, 2035, in the amounts determined following the determination of the interest rate on the Bonds by the Original Purchaser. If some but not all of the Bonds shall be redeemed pursuant to the preceding subsection (a) of this Section 2.03, the aggregate principal amount of the Bonds to be redeemed in each year pursuant to this subsection (b) shall be reduced on a *pro rata* basis in integral multiples of \$5,000, as shall be designated pursuant to written notice filed by the District with the Paying Agent.

(c) *Notice of Redemption.* The Paying Agent on behalf and at the expense of the District shall mail (by first class mail) notice of any redemption to: the respective Owners of any Bonds designated for redemption, at least thirty (30) but not more than sixty (60) days prior to the redemption date, at their respective addresses appearing on the Bond Register, at least thirty (30) but not more than sixty (60) days prior to the redemption; *provided, however,* that neither failure to receive any such notice so mailed nor any defect therein shall affect the validity of the proceedings for the redemption of such Bonds or the cessation of the accrual of interest thereon. Such notice shall state the date of the notice, the redemption date, the redemption place and the redemption price and shall designate and the Bond numbers, and shall require that such Bonds be then surrendered at the Principal Office for redemption at the redemption price, giving notice also that further interest on such Bonds will not accrue from and after the redemption date.

Notwithstanding the foregoing, in the case of any optional redemption of the Bonds, the notice of redemption shall state that the redemption is conditioned upon receipt by the Paying Agent of sufficient moneys to redeem the Bonds on the scheduled redemption date, and that the optional redemption shall not occur if, by no later than the scheduled redemption date, sufficient moneys to redeem the Bonds have not been deposited with the Paying Agent. In the event that the Paying Agent does not receive sufficient funds by the scheduled optional redemption date to so redeem the Bonds to be optionally redeemed, the Paying Agent shall send written notice to the Owners to the effect that the redemption did not occur as anticipated, and the Bonds for which notice of optional redemption was given shall remain Outstanding for all purposes.

Notice of redemption shall not be required in connection with mandatory sinking fund redemption.

(d) *Partial Redemption of Bonds.* In the event only a portion of any Bond is called for redemption, then upon surrender of such Bond the District shall execute and the Paying Agent shall authenticate and deliver to the Owner thereof, at the expense of the District, a new Bond or Bonds of the same maturity date, of authorized denominations in aggregate principal amount equal to the unredeemed portion of the Bond to be redeemed. Bonds need not be presented for mandatory sinking fund redemptions.

(e) *Effect of Redemption.* From and after the date fixed for redemption, if funds available for the payment of the principal of and interest (and premium, if any) on the Bonds so called for redemption shall have been duly provided, such Bonds so called shall cease to be entitled to any

benefit under this Resolution other than the right to receive payment of the redemption price, and no interest shall accrue thereon from and after the redemption date specified in such notice. All Bonds redeemed pursuant to this Section 2.03 shall be canceled and shall be destroyed by the Paying Agent.

Section 2.04. Form of Bonds. The Bonds, the form of the Paying Agent's certificate of authentication and registration and the form of assignment to appear thereon shall be substantially in the forms, respectively, with necessary or appropriate variations, omissions and insertions, as permitted or required by this Resolution, as are set forth in Exhibit A attached hereto.

Section 2.05. Execution of Bonds. The Bonds shall be executed on behalf of the District by the manual or facsimile signatures of a District Representative and attested by the Secretary of the Board who are in office on the date of adoption of this Resolution or at any time thereafter. If any officer whose signature appears on any Bond ceases to be such officer before delivery of the Bonds to the Original Purchaser, such signature shall nevertheless be as effective as if the officer had remained in office until the delivery of the Bonds to the Original Purchaser. Any Bond may be signed and attested on behalf of the District by such persons as at the actual date of the execution of such Bond shall be the proper officers of the District although at the nominal date of such Bond any such person shall not have been such officer of the District.

Only such Bonds as shall bear thereon a certificate of authentication and registration in the form set forth in Exhibit A attached hereto, executed and dated by the Paying Agent, shall be valid or obligatory for any purpose or entitled to the benefits of this Resolution, and such certificate of the Paying Agent shall be conclusive evidence that the Bonds so registered have been duly authenticated, registered and delivered hereunder and are entitled to the benefits of this Resolution.

Section 2.06. Transfer of Bonds.

(a) The registration of Bonds may, in accordance with their terms, be transferred in whole or in part, upon the Bond Register by the person in whose name it is registered, in person or by his attorney duly authorized in writing upon surrender of the Bonds for cancellation at the Principal Office, accompanied by delivery of a written instrument of transfer in a form approved by the Paying Agent, duly executed. Whenever the Bonds shall be surrendered for registration of transfer, the Paying Agent shall execute and deliver a Bond for like aggregate principal amount. The District shall pay any costs of the Paying Agent incurred in connection with such transfer except that the Paying Agent may require the payment by the Bond Owner requesting such transfer of any tax or other governmental charge required to be paid with respect to such transfer. The Paying Agent shall not be required to transfer (i) the Bonds during the period between the date fifteen (15) days prior to the date of selection of Bonds for redemption and such date of selection, or (ii) any Bonds selected for redemption.

(b) Ownership of the Bonds may be transferred in whole or in part but only to a person that the Bond Owner reasonably believes is either:

(A) a qualified institutional buyer within the meaning of Rule 144A promulgated under the Securities Act of 1933, as amended,

(B) subject to the requirements of the Securities Act of 1933, as amended, an accredited investor as defined in section 501(a)(1), (2), (3) or (7) of Regulation D promulgated under the Securities Act of 1933, as amended,

(C) a trust, partnership, custodial arrangement or similar entity, interests in which are offered and sold in a private placement or limited offering only to qualified institutional buyers or, subject to the requirements of the Securities Act of 1933, as amended, accredited investors; or

(D) an affiliate of the Original Purchaser.

in each case that executes and delivers to the Paying Agent an investor letter in substantially the form attached hereto as Exhibit B; *provided, however*, if transferred in part, such transfer shall not be to more than five transferees and in amounts less than \$500,000.

Section 2.07. Exchange of Bonds. Bonds may be exchanged at the Principal Office for a like aggregate principal amount of Bonds of authorized denominations and of the same maturity. The Paying Agent shall require the payment by the Owner requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange.

No exchanges of Bonds shall be required to be made (a) fifteen days prior to the date established by the Paying Agent for selection of Bonds for redemption or (b) with respect to a Bond after such Bond has been selected for redemption.

Section 2.08. Bond Register. The Paying Agent shall keep or cause to be kept sufficient books for the registration and transfer of the Bonds, which shall at all times be open to inspection by the District upon reasonable notice; and, upon presentation for such purpose, the Paying Agent shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on said books, Bonds as herein before provided.

Section 2.09. Temporary Bonds. The Bonds may be initially issued in temporary form exchangeable for definitive Bonds when ready for delivery. The temporary Bonds may be printed, lithographed or typewritten, shall be of such denominations as may be determined by the District, and may contain such reference to any of the provisions of this Resolution as may be appropriate. Every temporary Bond shall be executed by the District upon the same conditions and in substantially the same manner as the definitive Bonds. If the District issues temporary Bonds it will execute and furnish definitive Bonds without delay, and thereupon the temporary Bonds may be surrendered, for cancellation, in exchange therefor at the Principal Office and the Paying Agent shall deliver in exchange for such temporary Bonds an equal aggregate principal amount of definitive Bonds of authorized denominations. Until so exchanged, the temporary Bonds shall be entitled to the same benefits pursuant to this Resolution as definitive Bonds executed and delivered hereunder.

Section 2.10. Bonds Mutilated, Lost, Destroyed or Stolen. If any Bond shall become mutilated the District, at the expense of the Owner of said Bond, shall execute, and the Paying Agent shall thereupon authenticate and deliver, a new Bond of like maturity and principal amount in exchange and substitution for the Bond so mutilated, but only upon surrender to the Paying Agent of the Bond so mutilated. Every mutilated Bond so surrendered to the Paying Agent shall be canceled by it and delivered to, or upon the order of, the District. If any Bond shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the District and, if such evidence be satisfactory to the District and indemnity satisfactory to it shall be given, the District, at the expense of the Owner, shall execute, and the Paying Agent shall thereupon authenticate and deliver, a new Bond of like maturity and principal amount in lieu of and in substitution for the Bond so lost, destroyed or stolen. The District may require payment of a sum not exceeding the actual cost of preparing each new Bond issued under this Section and of the expenses which may be incurred by the District and the Paying Agent in the premises. Any Bond issued under the provisions of this Section 2.10 in lieu of any Bond alleged to be lost, destroyed or stolen shall constitute an original additional contractual obligation on

the part of the District whether or not the Bond so alleged to be lost, destroyed or stolen be at any time enforceable by anyone, and shall be equally and proportionately entitled to the benefits of this Resolution with all other Bonds issued pursuant to this Resolution.

ARTICLE III

ISSUE OF BONDS; APPLICATION OF BOND PROCEEDS; SECURITY FOR THE BONDS

Section 3.01. Issuance, Award and Delivery of Bonds. At any time after the execution of this Resolution the District may issue and deliver Bonds in any principal amount, subject to the savings requirements set forth in Section 4.01.

The District Representatives shall be, and are hereby, directed to cause the Bonds to be printed, signed and delivered to the Original Purchaser on receipt of the purchase price therefor.

The Paying Agent is hereby authorized to deliver the Bonds to the Original Purchaser, upon receipt of a Written Request of the District.

Section 3.02. Establishment of Costs of Issuance Fund. There is hereby created the "Northern Inyo Healthcare District (Inyo County, California) 2016 General Obligation Refunding Bonds, Costs of Issuance Fund" (the "Costs of Issuance Fund"), which shall be held and maintained by the Paying Agent as a separate fund, distinct from all other funds thereof. Amounts on deposit in the Costs of Issuance Fund shall be disbursed for the purpose of paying all Costs of Issuance. Payment of the Costs of Issuance shall be made only upon the receipt by the Paying Agent, as costs of issuance custodian under the Paying Agent Agreement, of a written request of the District. Moneys on deposit in the Costs of Issuance Fund shall be invested in money market mutual funds which are rated by Moody's Ratings Services in one of its two highest rating categories, including funds for which the Paying Agent, its affiliates or subsidiaries provide investment, advisory or other management or administrative services. Interest and earnings derived from the investment of amounts on deposit in the Costs of Issuance Fund shall be retained therein until the Costs of Issuance Fund is closed. On the date three months after the Closing Date, or upon prior written direction from the District, all amounts remaining on deposit in the Costs of Issuance Fund shall be withdrawn therefrom by the Paying Agent and transferred to the District and the Costs of Issuance Fund shall be closed.

Section 3.03. Application of Proceeds of Sale of Bonds. On the Closing Date, the proceeds of sale of the Bonds shall be paid by the Original Purchaser as follows:

(a) The Paying Agent shall deposit in the Costs of Issuance Fund the proceeds of the Bonds required to pay the Costs of Issuance (as shall be designated by the District on or prior to the Closing Date);

(b) The Paying Agent shall transfer to the Escrow Bank the proceeds of the Bonds required to provide for the defeasance of the 2005 Bonds, for deposit in the escrow fund held by the Escrow Bank under and pursuant to 2005 Escrow Agreement (as shall be designated by the District on or prior to the Closing Date); and

(c) The Paying Agent shall transfer to the Escrow Bank the proceeds of the Bonds required to provide for the defeasance of the Refunded 2009 Bonds, for deposit in the escrow fund held by the Escrow Bank under and pursuant to 2009 Escrow Agreement (as shall be designated by the District on or prior to the Closing Date).

Section 3.04. Security for the Bonds. There shall be levied by the County on all the taxable property in the District, in addition to all other taxes, a continuing direct and *ad valorem* tax annually during the period the Bonds are outstanding in an amount sufficient to pay the principal of and interest on the Bonds when due, which moneys when collected will be placed

in the Interest and Sinking Fund of the District, which fund is irrevocably pledged for the payment of the principal of and interest on the Bonds when and as the same fall due. The Bonds shall be secured by a sole and exclusive statutory lien on and irrevocable pledge of the *ad valorem* tax or taxes levied for their repayment. The moneys in the Interest and Sinking Fund heretofore established and maintained by the County for the District, to the extent necessary to pay the principal of and interest on the Bonds as the same become due and payable, shall be transferred by the County to the District for subsequent transfer to the Paying Agent, as paying agent for the Bonds, as necessary to pay the principal of and interest on the Bonds. The property taxes and amounts held in for the payment of debt service on the Bonds shall immediately be subject to this pledge, and the pledge shall constitute a lien and security interest which shall be effective, binding, and enforceable against the District, its successors, creditors and all others irrespective of whether those parties have notice of the pledge and without the need of any physical delivery, recordation, filing, or further act. The pledge is an agreement between the District and the Owners of the Bonds in addition to any statutory lien that may exist, and the Bonds were issued to refinance one or more projects specified in the 2005 Authorization and not to finance the general purposes of the District.

Additionally, in accordance with section 53515(a) of the California Government Code, the Bonds shall be secured by a statutory lien on all revenues received pursuant to the levy and collection of the tax for the 2005 Authorization. The lien shall automatically attach without further action or authorization by the District or the Counties. The lien shall be valid and binding from the time the Bonds are executed and delivered. The revenues received pursuant to the levy and collection of the tax shall be immediately subject to the lien, and the lien shall automatically attach to the revenues and be effective, binding, and enforceable against the District, its successors, transferees, and creditors, and all others asserting rights therein, irrespective of whether those parties have notice of the lien and without the need for any physical delivery, recordation, filing, or further act.

ARTICLE IV

SALE OF BONDS; APPROVAL OF PAYING AGENT AGREEMENT; APPROVAL OF ESCROW AGREEMENTS; OFFICIAL ACTIONS

Section 4.01. Sale of the Bonds. Minimum Savings Required. The Board hereby approves the sale of the Bonds to the Original Purchaser so long as the present value savings to be realized by the District with respect to the 2005 Bonds and the Refunded 2009 Bonds as a result of the issuance of the Bonds shall not be less than 5%.

Section 4.02. Approval of Paying Agent Agreement. The Paying Agent Agreement, in the form attached hereto as Exhibit D, together with any additions thereto or changes therein deemed necessary or advisable by a District Representative, is hereby approved by the Board. The District Representatives are hereby authorized and directed to execute the Paying Agent Agreement for and in the name and on behalf of the District. The Board hereby authorizes the delivery and performance of the Paying Agent Agreement.

Section 4.03. Approval of Escrow Agreements.

(a) The 2005 Escrow Agreement, in the form attached hereto as Exhibit E, together with any additions thereto or changes therein deemed necessary or advisable by a District Representative, is hereby approved by the Board. The District Representatives are hereby authorized and directed to execute the Escrow Agreement for and in the name and on behalf of the District. The Board hereby authorizes the delivery and performance of the 2005 Escrow Agreement.

(b) The 2009 Escrow Agreement, in the form attached hereto as Exhibit F, together with any additions thereto or changes therein deemed necessary or advisable by a District Representative, is hereby approved by the Board. The District Representatives are hereby authorized and directed to execute the Escrow Agreement for and in the name and on behalf of the District. The Board hereby authorizes the delivery and performance of the 2009 Escrow Agreement.

Section 4.04. Official Action. All actions heretofore taken by the officers and agents of the District with respect to the sale and issuance of the Bonds are hereby approved, and the District Representative, and any and all other officers of the District are hereby authorized and directed for and in the name and on behalf of the District, to do any and all things and take any and all actions relating to the execution and delivery of any and all certificates, requisitions, agreements and other documents, which they, or any of them, may deem necessary or advisable in order to consummate the lawful issuance and delivery of the Bonds in accordance with this Resolution.

ARTICLE V

COVENANTS OF THE DISTRICT

Section 5.01. Punctual Payment. The District will punctually pay, or cause to be paid, the principal of and interest on the Bonds, in strict conformity with the terms of the Bonds and of this Resolution, and it will faithfully observe and perform all of the conditions, covenants and requirements of this Resolution and of the Bonds. Nothing herein contained shall prevent the District from making advances of its own moneys, howsoever derived, to any of the uses or purposes permitted by law.

Section 5.02. Extension of Time for Payment. In order to prevent any accumulation of claims for interest after maturity, the District will not, directly or indirectly, extend or consent to the extension of the time for the payment of any claim for interest on any of the Bonds and will not, directly or indirectly, approve any such arrangement by purchasing or funding said claims for interest or in any other manner. In case any such claim for interest shall be extended or funded, whether or not with the consent of the District, such claim for interest so extended or funded shall not be entitled, in case of default hereunder, to the benefits of this Resolution, except subject to the prior payment in full of the principal of all of the Bonds then Outstanding and of all claims for interest which shall not have so extended or funded.

Section 5.03. Protection of Security and Rights of Bondowners. The District will preserve and protect the security of the Bonds and the rights of the Bondowners, and will warrant and defend their rights against all claims and demands of all persons. From and after the sale and delivery of any of the Bonds by the District, the Bonds shall be incontestable by the District. The District will do whatever is in its knowledge and power to assure that the Bonds shall be secured by a sole and exclusive statutory lien on and irrevocable pledge of the *ad valorem* tax or taxes levied for their repayment.

Section 5.04. Further Assurances. The District will adopt, make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Resolution, and for the better assuring and confirming unto the Owners of the Bonds of the rights and benefits provided in this Resolution.

Section 5.05. Tax Covenants.

(a) *Private Activity Bond Limitation*. The District shall assure that the proceeds of the Bonds are not so used as to cause the Bonds to satisfy the private business tests of section 141(b) of the Code or the private loan financing test of section 141(c) of the Code.

(b) *Federal Guarantee Prohibition*. The District shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause any of the Bonds to be "federally guaranteed" within the meaning of section 149(b) of the Code.

(c) *Rebate Requirement*. The District shall take any and all actions necessary to assure compliance with section 148(f) of the Code, relating to the rebate of excess investment earnings, if any, to the federal government, to the extent that such section is applicable to the Bonds.

(d) *No Arbitrage*. The District shall not take, or permit or suffer to be taken, any action with respect to the proceeds of the Bonds which, if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken, on the date of issuance of the

Bonds would have caused the Bonds to be "arbitrage bonds" within the meaning of section 148 of the Code.

(e) *Maintenance of Tax-Exemption.* The District shall take all actions necessary to assure the exclusion of interest on the Bonds from the gross income of the Owners of the Bonds to the same extent as such interest is permitted to be excluded from gross income under the Code as in effect on the date of issuance of the Bonds.

In the event of a Determination of Taxability, from and after the Date of Taxability, the unpaid principal balance of the Bonds shall bear interest at the Taxable Rate.

Section 5.06. Acquisition, Disposition and Valuation of Investments.

(a) Except as otherwise provided in subsection (b) of this Section 5.06, the District covenants that all investments of amounts deposited in any fund or account created by or pursuant to this Resolution, or otherwise containing gross proceeds of the Bonds (within the meaning of section 148 of the Code) shall be acquired, disposed of, and valued (as of the date that valuation is required by this Resolution or the Code) at Fair Market Value.

(b) Investments in funds or accounts (or portions thereof) that are subject to a yield restriction under applicable provisions of the Code shall be valued at their present value (within the meaning of section 148 of the Code).

ARTICLE VI

THE PAYING AGENT

Section 6.01. Appointment of Paying Agent. The Bank of New York Mellon Trust Company, N.A. is hereby appointed Paying Agent for the Bonds. The Paying Agent undertakes to perform such duties, and only such duties, as are specifically set forth in this Resolution, and, even during the continuance of an Event of Default, no implied covenants or obligations shall be read into this Resolution against the Paying Agent. The Paying Agent shall signify its acceptance of the duties and obligations imposed upon it by this Resolution by executing and delivering to the District a certificate to that effect.

The District may remove the Paying Agent initially appointed, and any successor thereto, and may appoint a successor or successors thereto, but any such successor shall be a bank or trust company doing business in the State of California, having a combined capital (exclusive of borrowed capital) and surplus of at least fifty million dollars (\$50,000,000), and subject to supervision or examination by federal or state authority. If such bank or trust company publishes a report of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority above referred to, then for the purposes of this Section 6.01 the combined capital and surplus of such bank or trust company shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published.

The Paying Agent may at any time resign by giving written notice to the District and the Bondowners of such resignation. Upon receiving notice of such resignation, the District shall promptly appoint a successor Paying Agent by an instrument in writing. Any resignation or removal of the Paying Agent and appointment of a successor Paying Agent shall become effective upon acceptance of appointment by the successor Paying Agent.

Section 6.02. Paying Agent May Hold Bonds. The Paying Agent may become the owner of any of the Bonds in its own or any other capacity with the same rights it would have if it were not Paying Agent.

Section 6.03. Liability of Agents. The recitals of facts, covenants and agreements herein and in the Bonds contained shall be taken as statements, covenants and agreements of the District, and the Paying Agent assumes no responsibility for the correctness of the same, nor makes any representations as to the validity or sufficiency of this Resolution or of the Bonds, nor shall incur any responsibility in respect thereof, other than as set forth in this Resolution. The Paying Agent shall not be liable in connection with the performance of its duties hereunder, except for its own negligence or willful default.

In the absence of bad faith, the Paying Agent 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 Paying Agent and conforming to the requirements of this Resolution; but in the case of any such certificates or opinions by which any provision hereof are specifically required to be furnished to the Paying Agent, the Paying Agent shall be under a duty to examine the same to determine whether or not they conform to the requirements of this Resolution.

The Paying Agent shall not be liable for any error of judgment made in good faith by a responsible officer unless it shall be proved that the Paying Agent was negligent in ascertaining the pertinent facts.

No provision of this Resolution shall require the Paying Agent to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, 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.

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

Section 6.04. Notice to Agents. The Paying Agent may rely and shall be protected in acting or refraining from acting upon any notice, resolution, request, consent, order, certificate, report, warrant, bond or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or proper parties. The Paying Agent may consult with counsel, who may be of counsel to the District, with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance therewith.

Whenever in the administration of its duties under this Resolution the Paying Agent shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may, in the absence of bad faith on the part of the Paying Agent, be deemed to be conclusively proved and established by a certificate of the District, and such certificate shall be full warrant to the Paying Agent for any action taken or suffered under the provisions of this Resolution upon the faith thereof, but in its discretion the Paying Agent may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may seem reasonable.

Section 6.05. Compensation, Indemnification.

(a) The District shall pay to the Paying Agent from time to time reasonable compensation for all services rendered under this Resolution, and also all reasonable expenses, charges, counsel fees and other disbursements, including those of their attorneys, agents and employees, incurred in and about the performance of their powers and duties under this Resolution. Any District Representative is hereby authorized to execute an agreement or agreements with the Paying Agent in connection with such fees and expenses. The District further agrees to indemnify and save the Paying Agent harmless against any liabilities which it may incur in the exercise and performance of its powers and duties hereunder which are not due to its negligence or bad faith.

(b) The District shall indemnify and hold harmless, to the extent permitted by law, the County and its officers and employees ("Indemnified Parties"), against any and all losses, claims, damages or liabilities, joint or several, to which such Indemnified Parties may become subject related to the proceedings for sale, award, issuance and delivery of the Bonds in accordance therewith and herewith. The District shall also reimburse any such Indemnified Parties for any legal or other expenses incurred in connection with investigating or defending any such claims or actions.

ARTICLE VII

EVENTS OF DEFAULT AND REMEDIES OF BONDOWNERS

Section 7.01. Events of Default. The following events ("Events of Default") shall be events of default hereunder:

(a) if default shall be made in the due and punctual payment of the principal of on any Bond when and as the same shall become due and payable, whether at maturity as therein expressed, by declaration or otherwise;

(b) if default shall be made in the due and punctual payment of any installment of interest on any Bond when and as such interest installment shall become due and payable;

(c) if default shall be made by the District in the observance of any of the covenants, agreements or conditions on its part in this Resolution or in the Bonds contained, and such default shall have continued for a period of thirty (30) days after written notice thereof to the District; *provided, however*, if the failure stated in the notice can be corrected, but not within the applicable period, the entity providing such notice shall not unreasonably withhold its consent to an extension of such time if corrective action is instituted by the District within the applicable period and diligently pursued until the default is corrected; or

(d) if the District shall file a petition seeking reorganization or arrangement under the federal bankruptcy laws or any other applicable law of the United States of America, or if a court of competent jurisdiction shall approve a petition, seeking reorganization of the District under the federal bankruptcy laws or any other applicable law of the United States of America, or if, under the provisions of any other law for the relief or aid of debtors, any court of competent jurisdiction shall assume custody or control of the District or of the whole or any substantial part of its property.

Section 7.02. Remedies of Bondowners. Any Bondowner shall have the right, for the equal benefit and protection of all Bondowners similarly situated:

(a) by mandamus, suit, action or proceeding, to compel the District and its members, officers, agents or employees to perform each and every term, provision and covenant contained in this Resolution and in the Bonds, and to require the carrying out of any or all such covenants and agreements of the District and the fulfillment of all duties imposed upon it;

(b) by suit, action or proceeding in equity, to enjoin any acts or things which are unlawful, or the violation of any of the Bondowners' rights; or

(c) upon the happening of any Event of Default, by suit, action or proceeding in any court of competent jurisdiction, to require the District and its members and employees to account as if it and they were the Directors of an express trust.

Section 7.03. Non-Waiver. Nothing in this Article VII or in any other provision of this Resolution, or in the Bonds, shall affect or impair the obligation of the District, which is absolute and unconditional, to pay the principal of and interest on the Bonds to the respective Owners of the Bonds at the respective dates of maturity, as herein provided, or affect or impair the right of action, which is also absolute and unconditional, of such Owners to institute suit to enforce such payment by virtue of the contract embodied in the Bonds.

A waiver of any default by any Bondowner shall not affect any subsequent default or impair any rights or remedies on the subsequent default. No delay or omission of any Owner of any of the Bonds to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein, and every power and remedy conferred upon the Bondowners by this Article VI may be enforced and exercised from time to time and as often as shall be deemed expedient by the Owners of the Bonds.

If a suit, action or proceeding to enforce any right or exercise any remedy be abandoned or determined adversely to the Bondowners, the District and the Bondowners shall be restored to their former positions, rights and remedies as if such suit, action or proceeding had not been brought or taken.

Section 7.04. Remedies Not Exclusive. No remedy herein conferred upon the Owners of Bonds shall be exclusive of any other remedy and that each and every remedy shall be cumulative and shall be in addition to every other remedy given hereunder or thereafter conferred on the Bondowners.

ARTICLE VIII

SUPPLEMENTAL RESOLUTIONS

Section 8.01. Supplemental Resolutions Effective Without Consent of the Owners. For any one or more of the following purposes and at any time or from time to time, a Supplemental Resolution of the District may be adopted, which, without the requirement of consent of the Owners of the Bonds, shall be fully effective in accordance with its terms:

(a) to add to the covenants and agreements of the District in this Resolution, other covenants and agreements to be observed by the District which are not contrary to or inconsistent with this Resolution as theretofore in effect;

(b) to add to the limitations and restrictions in this Resolution, other limitations and restrictions to be observed by the District which are not contrary to or inconsistent with this Resolution as theretofore in effect;

(c) to confirm, as further assurance, any pledge under, and the subjection to any lien or pledge created or to be created by, this Resolution, of any moneys, securities or funds, or to establish any additional funds or accounts to be held under this Resolution;

(d) to cure any ambiguity, supply and omission, or cure or correct any defect or inconsistent provision in this Resolution; or

(e) to make such additions, deletions or modifications as may be necessary or desirable to assure exemption from federal income taxation of interest on the Bonds.

Section 8.02. Supplemental Resolutions Effective With Consent to the Owners. Any modification or amendment of this Resolution and of the rights and obligations of the District and of the Owners of the Bonds, in any particular, may be made by a Supplemental Resolution, with the written consent of the Owners of at least two-thirds in aggregate principal amount of the Bonds Outstanding at the time such consent is given. No such modification or amendment shall permit a change in the terms of maturity of the principal of any Outstanding Bonds or of any interest payable thereon or a reduction in the principal amount thereof or in the rate of interest thereon, or shall reduce the percentage of Bonds the consent of the Owners of which is required to effect any such modification or amendment, or shall change any of the provisions in Section 7.01 hereof relating to Events of Default, or shall reduce the amount of moneys pledged for the repayment of the Bonds without the consent of all the Owners of such Bonds, or shall change or modify any of the rights or obligations of any Paying Agent without its written assent thereto.

ARTICLE IX

MISCELLANEOUS

Section 9.01. Benefits of Resolution Limited to Parties. Nothing in this Resolution, expressed or implied, is intended to give to any person other than the District, the Paying Agent and the Owners of the Bonds, any right, remedy, claim under or by reason of this Resolution. Any covenants, stipulations, promises or agreements in this Resolution contained by and on behalf of the District shall be for the sole and exclusive benefit of the Owners of the Bonds.

Section 9.02. Defeasance.

(a) *Discharge of Resolution.* Bonds may be paid by the District in any of the following ways, provided that the District also pays or causes to be paid any other sums payable hereunder by the District:

(i) by paying or causing to be paid the principal or redemption price of and interest on Bonds Outstanding, as and when the same become due and payable;

(ii) by depositing, in trust, at or before maturity, money or securities in the necessary amount (as provided in Section 9.02(c)) to pay or redeem Bonds Outstanding;
or

(iii) by delivering to the Paying Agent, for cancellation by it, Bonds Outstanding.

If the District shall pay all Bonds Outstanding and shall also pay or cause to be paid all other sums payable hereunder by the District, then and in that case, at the election of the District (evidenced by a certificate of a District Representative, filed with the Paying Agent, signifying the intention of the District to discharge all such indebtedness and this Resolution), and notwithstanding that any Bonds shall not have been surrendered for payment, this Resolution and other assets made under this Resolution and all covenants, agreements and other obligations of the District under this Resolution shall cease, terminate, become void and be completely discharged and satisfied, except only as provided in Section 9.02(b). In such event, upon request of the District, the Paying Agent shall cause an accounting for such period or periods as may be requested by the District to be prepared and filed with the District and shall execute and deliver to the District all such instruments as may be necessary to evidence such discharge and satisfaction, and the Paying Agent shall pay over, transfer, assign or deliver to the District all moneys or securities or other property held by it pursuant to this Resolution which are not required for the payment or redemption of Bonds not theretofore surrendered for such payment or redemption.

(b) *Discharge of Liability on Bonds.* Upon the deposit, in trust, at or before maturity, of money or securities in the necessary amount (as provided in Section 9.02(c)) to pay or redeem any Outstanding Bond (whether upon or prior to its maturity or the redemption date of such Bond), provided that, if such Bond is to be redeemed prior to maturity, notice of such redemption shall have been given as in Section 2.03 provided or provision satisfactory to the Paying Agent shall have been made for the giving of such notice, then all liability of the District in respect of such Bond shall cease and be completely discharged, except only that thereafter the Owner thereof shall be entitled only to payment of the principal of and interest on such Bond by the District, and the District shall remain liable for such payment, but only out of such money or securities deposited with the Paying Agent as aforesaid for such payment, provided further, however, that the provisions of Section 9.02(d) shall apply in all events.

The District may at any time surrender to the Paying Agent for cancellation by it any Bonds previously issued and delivered, which the District may have acquired in any manner whatsoever, and such Bonds, upon such surrender and cancellation, shall be deemed to be paid and retired.

(c) *Deposit of Money or Securities with Paying Agent.* Whenever in this Resolution it is provided or permitted that there be deposited with or held in trust by the Paying Agent money or securities in the necessary amount to pay or redeem any Bonds, the money or securities so to be deposited or held may include money or securities held by the Paying Agent in the funds and accounts established pursuant to this Resolution and shall be:

(i) lawful money of the United States of America in an amount equal to the principal amount of such Bonds and all unpaid interest thereon to maturity, except that, in the case of Bonds which are to be redeemed prior to maturity and in respect of which notice of such redemption shall have been given as in Section 2.03 provided or provision satisfactory to the Paying Agent shall have been made for the giving of such notice, the amount to be deposited or held shall be the principal amount or redemption price of such Bonds and all unpaid interest thereon to the redemption date; or

(ii) Federal Securities (not callable by the issuer thereof prior to maturity) the principal of and interest on which when due, in the opinion of a certified public accountant delivered to the District, will provide money sufficient to pay the principal or redemption price of and all unpaid interest to maturity, or to the redemption date, as the case may be, on the Bonds to be paid or redeemed, as such principal or redemption price and interest become due, provided that, in the case of Bonds which are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given as in Section 2.03 provided or provision satisfactory to the Paying Agent shall have been made for the giving of such notice;

provided, in each case, that the Paying Agent shall have been irrevocably instructed (by the terms of this Resolution or by request of the District) to apply such money to the payment of such principal or redemption price and interest with respect to such Bonds.

(d) *Payment of Bonds After Discharge of Resolution.* Notwithstanding any provisions of this Resolution, any moneys held by the Paying Agent in trust for the payment of the principal or redemption price of, or interest on, any Bonds and remaining unclaimed for one year after the principal of all of the Bonds has become due and payable (whether at maturity or upon call for redemption or by acceleration as provided in this Resolution), if such moneys were so held at such date, or one year after the date of deposit of such moneys if deposited after said date when all of the Bonds became due and payable, shall, upon request of the District, be repaid to the District free from the trusts created by this Resolution, and all liability of the Paying Agent with respect to such moneys shall thereupon cease; *provided, however,* that before the repayment of such moneys to the District as aforesaid, the Paying Agent may (at the cost of the District) first mail to the Owners of all Bonds which have not been paid at the addresses shown on the registration books maintained by the Paying Agent a notice in such form as may be deemed appropriate by the Paying Agent, with respect to the Bonds so payable and not presented and with respect to the provisions relating to the repayment to the District of the moneys held for the payment thereof.

Section 9.03. Execution of Documents and Proof of Ownership by Bondowners. Any request, declaration or other instrument which this Resolution may require or permit to be executed by Bondowners may be in one or more instruments of similar tenor, and shall be executed by Bondowners in person or by their attorneys appointed in writing.

Except as otherwise herein expressly provided, the fact and date of the execution by any Bondowner or his attorney of such request, declaration or other instrument, or of such writing appointing such attorney, may be proved by the certificate of any notary public or other officer authorized to take acknowledgments of deeds to be recorded in the state in which he purports to act, that the person signing such request, declaration or other instrument or writing acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer.

Except as otherwise herein expressly provided, the ownership of registered Bonds and the amount, maturity, number and date of holding the same shall be proved by the registry books.

Any request, declaration or other instrument or writing of the Owner of any Bond shall bind all future Owners of such Bond in respect of anything done or suffered to be done by the District or the Paying Agent in good faith and in accordance therewith.

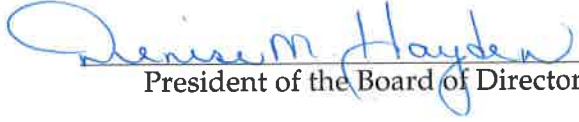
Section 9.04. Waiver of Personal Liability. No Board member, officer, agent or employee of the District shall be individually or personally liable for the payment of the principal of or interest on the Bonds; but nothing herein contained shall relieve any such Board member, officer, agent or employee from the performance of any official duty provided by law.

Section 9.05. Destruction of Canceled Bonds. Whenever in this Resolution provision is made for the surrender to the District of any Bonds which have been paid or canceled pursuant to the provisions of this Resolution, a certificate of destruction duly executed by the Paying Agent shall be deemed to be the equivalent of the surrender of such canceled Bonds and the District shall be entitled to rely upon any statement of fact contained in any certificate with respect to the destruction of any such Bonds therein referred to.

Section 9.06. Partial Invalidity. If any Section, paragraph, sentence, clause or phrase of this Resolution shall for any reason be held illegal or unenforceable, such holding shall not affect the validity of the remaining portions of this Resolution. The District hereby declares that it would have adopted this Resolution and each and every other Section, paragraph, sentence, clause or phrase hereof and authorized the issue of the Bonds pursuant thereto irrespective of the fact that any one or more Sections, paragraphs, sentences, clauses, or phrases of this Resolution may be held illegal, invalid or unenforceable. If, by reason of the judgment of any court, the District is rendered unable to perform its duties hereunder, all such duties and all of the rights and powers of the District hereunder shall be assumed by and vest in the District in trust for the benefit of the Bondowners.

Section 9.07. Effective Date of Resolution. This Resolution shall take effect from and after the date of its passage and adoption.

THE FOREGOING RESOLUTION is approved and adopted by the Board of Directors of the Northern Inyo Healthcare District this 20th day of April, 2016.



President of the Board of Directors

ATTEST:



Secretary of the Board of Directors

EXHIBIT A
FORM OF BOND

THE HOLDER OF THIS BOND, BY ITS ACCEPTANCE HEREOF, AGREES THAT NO TRANSFER OF A BOND (OR ANY INTEREST THEREIN) SHALL BE MADE EXCEPT TO (A) A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A PROMULGATED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, (B) SUBJECT TO THE REQUIREMENTS OF THE SECURITIES ACT OF 1933, AS AMENDED, AN ACCREDITED INVESTOR AS DEFINED IN SECTION 501(A)(1), (2), (3) OR (7) OF REGULATION D PROMULGATED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, (C) A TRUST, PARTNERSHIP, CUSTODIAL ARRANGEMENT OR SIMILAR ENTITY, INTERESTS IN WHICH ARE OFFERED AND SOLD IN A PRIVATE PLACEMENT OR LIMITED OFFERING ONLY TO QUALIFIED INSTITUTIONAL BUYERS OR, SUBJECT TO THE REQUIREMENTS OF THE SECURITIES ACT OF 1933, AS AMENDED, ACCREDITED INVESTORS; OR (D) AN AFFILIATE OF THE ORIGINAL PURCHASER (AS DEFINED IN THE HEREINAFTER DEFINED RESOLUTION), IN EACH CASE THAT EXECUTES AND DELIVERS AN INVESTOR LETTER IN SUBSTANTIALLY THE FORM ATTACHED AS EXHIBIT B TO THE RESOLUTION

United States of America
State of California
Inyo County

NORTHERN INYO HEALTHCARE DISTRICT
2016 General Obligation Refunding Bond

| | | |
|----------------|----------------------|--------------|
| INTEREST RATE: | FINAL MATURITY DATE: | ISSUE DATE: |
| _____ % | November 1, 2035 | May 12, 2016 |

REGISTERED OWNER: STERLING NATIONAL BANK

PRINCIPAL SUM: _____ DOLLARS

The principal of and interest on this Bond shall be payable on the dates and in the amounts set forth on Schedule A attached hereto.

The NORTHERN INYO HEALTHCARE DISTRICT, a health care district duly organized and existing under and by virtue of the Constitution and laws of the State of California (the "District"), for value received hereby promises to pay to the Registered Owner stated above, or registered assigns (the "Owner"), on the Maturity Date stated above (subject to any right of prior redemption hereinafter provided for), the Principal Sum stated above, in lawful money of the United States of America, and to pay interest thereon in like lawful money from the interest payment date next preceding the date of authentication of this Bond (unless (i) this Bond is authenticated on an interest payment date, in which event it shall bear interest from such date of authentication, or (ii) this Bond is authenticated prior to an interest payment date and after the close of business on the fifteenth day of the month preceding such interest payment date, in which event it shall bear interest from such interest payment date, or (iii) this Bond is authenticated on or prior to October 15, 2016, in which event it shall bear interest from the Issue Date stated above; provided however, that if at the time of authentication of this Bond, interest is in default on this Bond, this Bond shall bear interest from the interest payment date to which interest has previously been paid or made available for payment on this Bond) until payment of such Principal Sum in full, at the rate per annum stated above, payable on May 1 and November 1 in each year, commencing November 1, 2016, calculated on the basis of 360-day year comprised of twelve 30-day months. Principal hereof and premium, if any, upon early redemption hereof are payable at the corporate trust office of The Bank of New York Mellon Trust Company, N.A. (the "Paying Agent"), in San Francisco, California. Interest hereon (including the final interest payment upon maturity or earlier redemption) is payable by

check or draft of the Paying Agent mailed by first-class mail to the Owner at the Owner's address as it appears on the Bond register maintained by the Paying Agent as of the close of business on the fifteenth day of the month next preceding such interest payment date (the "Record Date"), or at such other address as the Owner may have filed with the Paying Agent for that purpose; provided however, that payment of interest may be by wire transfer in immediately available funds to an account in the United States of America to any Owner of Bonds in the aggregate principal amount of \$1,000,000 or more who shall furnish written wire instructions to the Paying Agent at least five (5) days before the applicable Record Date.

In accordance with the Resolution, in the event of a Determination of Taxability, from and after the Date of Taxability, the unpaid principal balance of the Bonds shall bear interest at a rate equal to ___% per annum.

This Bond is designated as "Northern Inyo Healthcare District (Inyo County, California) 2016 General Obligation Refunding Bonds" (the "Bonds"), in the principal amount of _____ dollars (\$_____), issued pursuant to the provisions of Chapter 4 (commencing with section 53550) of Article 9 of Chapter 3 of Division 2 of Title 5 of the California Government Code (the "Act"), and pursuant to Resolution No. ____ of the District adopted April 20, 2016 (the "Resolution"), authorizing the issuance of the Bonds. Reference is hereby made to the Resolution (copies of which are on file at the office of the Secretary of the Board of Directors of the District) and the Act for a description of the terms on which the Bonds are issued and the rights thereunder of the owners of the Bonds and the rights, duties and immunities of the Paying Agent and the rights and obligations of the District thereunder, to all of the provisions of which Resolution the Owner of this Bond, by acceptance hereof, assents and agrees.

This Bond has been issued by the District, to (a) provide for the defeasance and redemption of (i) the outstanding Northern Inyo County Local Hospital District (Inyo County, California) Election of 2005, Series 2005 General Obligation Bonds, and (ii) a portion of the outstanding Northern Inyo County Local Hospital District (Inyo County, California) General Obligation Bonds, Election of 2005, Series 2009, and (b) pay for costs of issuance of the Bonds.

This Bond and the interest hereon (to the extent set forth in the Resolution) is a general obligations of the District and the District has the power and is obligated to cause Inyo County to levy *ad valorem* taxes for the payment of the Bonds and the interest thereon upon all property within the District subject to taxation by the District. This Bond shall be secured by a sole and exclusive statutory lien on and irrevocable pledge of the *ad valorem* tax or taxes levied for their repayment

This Bond is non-callable prior to November 1, 2026. This Bond is callable for redemption prior to its stated maturity date at the option of the District, as a whole, or in part on any interest payment date on or after November 1, 2026, by lot, from any source lawfully available therefor, at a redemption price equal to the principal amount redeemed, plus accrued interest to date of redemption, without premium.

This Bond is subject to mandatory sinking fund redemption prior to their stated maturity date, at the principal amount thereof without premium on each November 1, on and after November 1, 2016, to and including November 1, 2035, in the principal amounts as set forth in Schedule A attached hereto.

This Bond is issuable as one fully registered bond, without coupons, in the total principal amount thereof. Subject to the limitations and conditions and upon payment of the charges, if any, as provided in the Resolution, Bonds may be exchanged for a like bond having the same terms.

This Bond is transferable by the Owner hereof, in person or by his attorney duly authorized in writing, at said office of the Paying Agent in San Francisco, California, but only in the manner and subject to the limitations provided in the Resolution, and upon surrender and cancellation of this Bond. Upon registration of such transfer a new Bond, will be issued to the transferee in exchange herefor.

The District and the Paying Agent may treat the Owner hereof as the absolute owner hereof for all purposes, and the District and the Paying Agent shall not be affected by any notice to the contrary.

The Resolution may be amended without the consent of the Owners of the Bonds to the extent set forth in the Resolution.

It is hereby certified that all of the things, conditions and acts required to exist, to have happened or to have been performed precedent to and in the issuance of this Bond do exist, have happened or have been performed in due and regular time and manner as required by the laws of the State of California, and that the amount of this Bond, together with all other indebtedness of the District, does not exceed any limit prescribed by any laws of the State of California, and is not in excess of the amount of Bonds permitted to be issued under the Resolution.

This Bond shall not be entitled to any benefit under the Resolution or become valid or obligatory for any purpose until the Certificate of Authentication hereon shall have been signed manually by the Paying Agent.

IN WITNESS WHEREOF, the Northern Inyo Healthcare District has caused this Bond to be executed in its name and on its behalf with the facsimile signatures of the President of its Board of Directors and the Secretary of the Board of Directors, all as of the Issue Date stated above.

NORTHERN INYO HEALTHCARE DISTRICT

By  _____
President of the Board of Directors

ATTEST:

 _____
Secretary of the Board of Directors

CERTIFICATE OF AUTHENTICATION

Authentication Date:

THE BANK OF NEW YORK MELLON TRUST
COMPANY, N.A., as Paying Agent

By _____
Authorized Signatory

ASSIGNMENT

For value received, the undersigned do(es) hereby sell, assign and transfer unto

(Name, Address and Tax Identification or Social Security Number of Assignee)

the within Bond and do(es) hereby irrevocably constitute(s) and appoint(s)

attorney, to transfer the same on the registration books of the Paying Agent with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

Notice: Signature(s) must be guaranteed by a qualified guarantor institution.

Notice: The signature on this assignment must correspond with the name(s) as written on the face of the within bond in every particular without alteration or enlargement or any change whatsoever."

SCHEDULE A
DEBT SERVICE SCHEDULE

| Interest Payment Date | Principal | Interest | Total |
|-----------------------------|-----------|----------|-------|
| 11/01/2016 | | | |
| 05/01/2017 | | | |
| 11/01/2017 | | | |
| 05/01/2018 | | | |
| 11/01/2018 | | | |
| 05/01/2019 | | | |
| 11/01/2019 | | | |
| 05/01/2020 | | | |
| 11/01/2020 | | | |
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| 05/01/2034 | | | |
| 11/01/2034 | | | |
| 05/01/2035 | | | |
| 11/01/2035 | | | |

EXHIBIT B
FORM OF INVESTOR'S LETTER

Northern Inyo Healthcare District
Bishop, California

The Bank of New York Mellon Trust Company, N.A.
San Francisco, California

Re: Northern Inyo Healthcare District (Inyo County, California) 2016 General Obligation
Refunding Bonds

Ladies and Gentlemen:

The undersigned (the "Purchaser"), being the purchaser of the above-referenced bonds (the "Bonds") issued pursuant to Article 9 of Chapter 3 (commencing with section 53550) of Division 2 of Title 5 of the California Government Code (the "Act"), Resolution No. _____, adopted by the Board of Directors of the District on April 20, 2016 (the "Resolution"), does hereby certify, represent and warrant for the benefit of the Northern Inyo Healthcare District (the "District") and the The Bank of New York Mellon Trust Company, N.A. (the "Paying Agent") that:

(a) The Purchaser (MARK OR INDICATE APPROPRIATELY):

is a qualified institutional buyer" (a "Qualified Institutional Buyer") within the meaning of Rule 144A promulgated under the Securities Act of 1933, as amended (the "Securities Act"),

is an "accredited investor" as defined in Section 501(a)(1), (2), (3) or (7) of Regulation D promulgated under the Securities Act (an "Accredited Investor"), or

is a trust, partnership, custodial arrangement or similar entity, interests in which are offered and sold in a private placement or limited offering only to Qualified Institutional Buyers or Accredited Investors.

is an affiliate of Sterling National Bank.

(b) The Purchaser understands that the Bonds have not been registered under the United States Securities Act of 1933, as amended, or under any state securities laws. The Purchaser agrees that it will comply with any applicable state and federal securities laws then in effect with respect to any disposition of the Bonds by it, and further acknowledges that any current exemption from registration of the Bonds does not affect or diminish such requirements.

(c) The Purchaser is not now and has never been controlled by, or under common control with, the District. The District has never been and is not now controlled by the Purchaser. The Purchaser has entered into no arrangements with the District or with any affiliate in connection with the Bonds, other than as disclosed to the District.

(d) The Purchaser has authority to purchase the Bonds and to execute this letter and any other instruments and documents required to be executed by the Purchaser in connection with the purchase of the Bonds. The individual who is signing this letter on behalf of the Purchaser is a duly appointed, qualified, and acting officer of the Purchaser and is authorized to cause the Purchaser to make the Bonds, representations and warranties contained herein by execution of this letter on behalf of the Purchaser.

(e) The Purchaser understands that the Bonds are not secured by any pledge of any moneys received or to be received from taxation by the District, the State of California or any political subdivision or taxing District thereof; that the Bonds will never represent or constitute a general obligation or a pledge of the faith and credit of the District, the State of California or any political subdivision thereof; that no right will exist to have taxes levied by the State of California or any political subdivision thereof for the payment of principal and interest with respect to the Bonds; and that the liability of the District with respect to the Bonds is subject to further limitations as set forth in the Resolution.

(f) The Purchaser has been informed that the Bonds (i) have not been and will not be registered or otherwise qualified for sale under the "Blue Sky" laws and regulations of any jurisdiction, and (ii) will not be listed on any stock or other securities exchange.

(g) The Purchaser acknowledges that it has the right to sell and transfer the Bonds, subject to compliance with the transfer restrictions set forth in Section 2.03 of the Second Resolution, including in certain circumstances the requirement for the delivery to the District and the Paying Agent of an investor's letter in the same form as this Investor's Letter, including this paragraph. Failure to comply with the provisions of Section 2.06 of Resolution shall cause the purported transfer to be null and void.

(h) None of the Paying Agent, Placement Agent, Financial Advisor or Bond Counsel, its members, its governing body, or any of its employees, counsel or agents will have any responsibility to the Purchaser for the accuracy or completeness of information obtained by the Purchaser from any source regarding the District or its financial condition or the Project, or regarding the Bonds, the provision for payment thereof, or the sufficiency of any security therefor. No written information has been provided by the District to the Purchaser with respect to the Bonds. The Purchaser acknowledges that, as between the Purchaser and all of such parties, the Purchaser has assumed responsibility for obtaining such information and making such review as the Purchaser deemed necessary or desirable in connection with its decision to purchase the Bonds.

(i) The Purchaser acknowledges that the Bonds are exempt from the requirements of Rule 15c2-12 of the Securities and Exchange Commission and that the District has not undertaken to provide any continuing disclosure with respect to the Bonds.

The Purchaser acknowledges that the sale of the Bonds to the Purchaser is made in reliance upon the certifications, representations and warranties herein by the addressees hereto. Capitalized terms used herein and not otherwise defined have the meanings given such terms in the Resolution.

[PURCHASER]

By _____
Name _____
Title _____

EXHIBIT C

FORM OF PAYING AGENT AGREEMENT

THIS PAYING AGENT/BOND REGISTRAR/COSTS OF ISSUANCE AGREEMENT (this "Agreement"), is entered into as of May 1, 2016, by and between the NORTHERN INYO HEALTHCARE DISTRICT (the "District") and THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A. (the "Bank"), relating to the \$_____ Northern Inyo Healthcare District (Inyo County, California) 2016 General Obligation Refunding Bonds (the "Bonds"). The District hereby appoints the Bank to act as Paying Agent, Transfer Agent and Bond Registrar for the Bonds and as Custodian and Disbursing Agent for the payment of costs of issuance relating to the Bonds.

RECITALS

WHEREAS, the District has duly authorized and provided for the issuance of the Bonds as fully registered bonds without coupons;

WHEREAS, the District will ensure all things necessary to make the Bonds the valid obligations of the District, in accordance with their terms, will be done upon the issuance and delivery thereof;

WHEREAS, the District and the Bank wish to provide the terms under which the Bank will act as Paying Agent to pay the principal, redemption premium (if any) and interest on the Bonds, in accordance with the terms thereof, and under which the Bank will act as Bond Registrar for the Bonds;

WHEREAS, the District and the Bank also wish to provide the terms under which the Bank will act as Custodian and Disbursing Agent for the payment of costs of issuance relating to the Bonds;

WHEREAS, the Bank has agreed to serve in such capacities for and on behalf of the District and has full power and authority to perform and serve as Paying Agent, Transfer Agent and Bond Registrar for the Bonds and as Custodian and Disbursing Agent for the payment of costs of issuance relating to the Bonds; and

WHEREAS, the District has duly authorized the execution and delivery of this Agreement; and all things necessary to make this Agreement a valid agreement have been done.

NOW, THEREFORE, it is mutually agreed as follows:

ARTICLE ONE

DEFINITIONS

Section 1.01. Definitions.

For all purposes of this Agreement except as otherwise expressly provided or unless the context otherwise requires:

"Bank" means The Bank of New York Mellon Trust Company, N.A., a national banking association organized and existing under the laws of the United States of America.

"Bond Register" means the book or books of registration kept by the Bank in which are maintained the names and addresses and principal amounts registered to each Registered Owner.

"Bond Registrar" means the Bank when it is performing the function of registrar for the Bonds.

"Bond Resolution" means the resolution of the District pursuant to which the Bonds were issued.

"Bond" or "Bonds" means any one or all of the \$_____ Northern Inyo Healthcare District (Inyo County, California) 2016 General Obligation Refunding Bonds.

"Custodian and Disbursing Agent" means the Bank when it is performing the function of custodian and disbursing agent for the payment of costs of issuance relating to the Bonds.

"District" means Northern Inyo Healthcare District.

"District Request" means a written request signed in the name of the District and delivered to the Bank.

"Fiscal Year" means the fiscal year of the District ending on June 30 of each year.

"Original Purchaser" means Sterling National Bank.

"Paying Agent" means the Bank when it is performing the function of paying agent for the Bonds.

"Person" means any individual, corporation, partnership, joint venture, association, joint stock company, trust, unincorporated organization or government or any agency or political subdivision of a government or any entity whatsoever.

"Registered Owner" means a Person in whose name a Bond is registered in the Bond Register.

"Stated Maturity" when used with respect to any Bond means the date specified in the Bond Resolution as the date on which the principal of such Bond is due and payable.

"Transfer Agent" means the Bank when it is performing the function of transfer agent for the Bonds.

ARTICLE TWO

APPOINTMENT OF BANK AS PAYING AGENT, TRANSFER AGENT, BOND REGISTRAR AND CUSTODIAN AND DISBURSING AGENT

Section 2.01. Appointment and Acceptance. The District hereby appoints the Bank to act as Paying Agent and Transfer Agent with respect to the Bonds, to pay to the Registered Owners in accordance with the terms and provisions of this Agreement and the Bond Resolution, the principal of, redemption premium (if any), and interest on all or any of the Bonds.

The District hereby appoints the Bank as Bond Registrar with respect to the Bonds. As Bond Registrar, the Bank shall keep and maintain for and on behalf of the District, books and records as to the ownership of the Bonds and with respect to the transfer and exchange thereof as provided herein and in the Bond Resolution.

The District hereby appoints the Bank as Custodian and Disbursing Agent.

The Bank hereby accepts its appointment, and agrees to act as Paying Agent, Transfer Agent, Bond Registrar and Custodian and Disbursing Agent.

Section 2.02. Compensation. As compensation for the Bank's services as Paying Agent and Bond Registrar, the District hereby agrees to pay the Bank the fees and amounts set forth in a separate agreement between the District and the Bank.

In addition, the District agrees to reimburse the Bank, upon its request, for all reasonable and necessary out-of-pocket expenses, disbursements, and advances, including without limitation the reasonable fees, expenses, and disbursements of its agents and attorneys, made or incurred by the Bank in connection with entering into and performing under this Agreement and in connection with

investigating and defending itself against any claim or liability in connection with its performance hereunder.

ARTICLE THREE

PAYING AGENT

Section 3.01. Duties of Paying Agent. As Paying Agent, the Bank, provided sufficient collected funds have been provided to it for such purpose by or on behalf of the District, shall pay on behalf of the District the principal of, and interest on each Bond in accordance with the debt service schedule attached hereto as Exhibit A.

Section 3.02. Payment Dates. The District hereby instructs the Bank to pay the principal of, redemption premium (if any) and interest on the Bonds on the dates specified in the Bond Resolution.

ARTICLE FOUR

BOND REGISTRAR

Section 4.01. Initial Delivery of Bonds. The Bonds will be initially registered and delivered to the purchaser designated by the District as one Bond for each maturity. If such purchaser delivers a written request to the Bank not later than five business days prior to the date of initial delivery, the Bank will, on the date of initial delivery, deliver Bonds of authorized denominations, registered in accordance with the instructions in such written request.

Section 4.02. Duties of Bond Registrar. The Bank shall provide for the proper registration, transfer, exchange and replacement of the Bonds. Every Bond surrendered for transfer or exchange shall be duly endorsed or be accompanied by a written instrument of transfer, the signature on which has been guaranteed by an eligible guarantor institution, in form acceptable to the Bank, duly executed by the Registered Owner thereof or his attorney duly authorized in writing. The Bond Registrar may request any supporting documentation it deems necessary or appropriate to effect a re-registration.

Section 4.03. Unauthenticated Bonds. The District shall provide to the Bank on a continuing basis, an adequate inventory of unauthenticated Bonds to facilitate transfers. The Bank agrees that it will maintain such unauthenticated Bonds in safekeeping.

Section 4.04. Form of Bond Register. The Bank as Bond Registrar will maintain its records as Bond Registrar in accordance with the Bank's general practices and procedures in effect from time to time.

Section 4.05. Reports. The District may request the information in the Bond Register at any time the Bank is customarily open for business, provided that reasonable time is allowed the Bank to provide an up-to-date listing and to convert the information into written form.

The Bank will not release or disclose the content of the Bond Register to any person other than to the District at its written request, except upon receipt of a subpoena or court order or as may otherwise be required by law. Upon receipt of a subpoena or court order the Bank will notify the District.

Section 4.06. Cancelled Bonds. All Bonds surrendered for payment, redemption, transfer, exchange, or replacement, if surrendered to the Bank, shall be promptly cancelled by it and, if surrendered to the District, shall be delivered to the Bank and, if not already cancelled, shall be promptly cancelled by the Bank. The District may at any time deliver to the Bank for cancellation any Bonds previously authenticated and delivered which the District may have acquired in any manner whatsoever, and all Bonds so delivered shall be promptly cancelled by the Bank. All cancelled Bonds held by the Bank for its retention period then in effect and shall thereafter be destroyed and evidence of such destruction furnished to the District upon its written request.

ARTICLE FIVE

CUSTODIAN AND DISBURSING AGENT

Section 5.01. Receipt of Moneys. The Custodian and Disbursing Agent has received, from the Original Purchaser, the sum of \$_____. Of such amount, (a) \$_____ has been transferred to The Bank of New York Mellon Trust Company, N.A., as paying agent for the Northern Inyo County Local Hospital District (Inyo County, California) Election of 2005, Series 2005 General Obligation Bonds (the "2005 Bonds"), and as escrow bank, to provide for the defeasance of the 2005 Bonds, (b) \$_____ has been transferred to The Bank of New York Mellon Trust Company, N.A., as paying agent for the Northern Inyo County Local Hospital District (Inyo County, California) General Obligation Bonds, Election of 2005, Series 2009 (the "2009 Bonds"), and as escrow bank, to provide for the defeasance of the current interest 2009 Bonds maturing on November 1, 2038, and (c) the remaining \$_____ has been deposited in a special account to be held and maintained by the Custodian and Disbursing Agent in the name of the District (the "Costs of Issuance Account").

Section 5.02. Investment. The Custodian and Disbursing Agent will hold funds in the Costs of Issuance Account until July 12, 2016, or upon prior written order of the District. The Custodian and Disbursing Agent shall have no obligation to invest and reinvest any cash held by it hereunder in the absence of timely and specific written investment direction from the District. In no event shall the Custodian and Disbursing Agent be liable for the selection of investments or for investment losses incurred thereon.

In no event shall the Custodian and Disbursing Agent be liable for the selection of investments or for investment losses incurred thereon. The District acknowledges that regulations of the Comptroller of the Currency grant the District the right to receive brokerage confirmations of the security transactions as they occur, at no additional cost. To the extent permitted by law, the District specifically waives compliance with 12 C.F.R. 12 and hereby notifies the Custodian and Disbursing Agent that no brokerage confirmations need be sent relating to the security transactions as they occur. The Custodian and Disbursing Agent may purchase or sell to itself or any affiliate, as principal or agent, investments authorized by this Agreement.

Section 5.03. Payment of Costs of Issuance. The Custodian and Disbursing Agent will pay costs of issuance of the Bonds as directed by the District from time to time via a written requisition of the District.

Section 5.04. Transfer of Remaining Amounts. Any balances remaining in the Costs of Issuance Account (including any earnings) on July 12, 2016, will be transferred to the the District and applied to the payment of debt service on the Bonds.

Section 5.05. Limited Liability. The liability of the Custodian and Disbursing Agent as custodian and disbursing agent is limited to the duties listed above. The Custodian and Disbursing Agent will not be liable for any action taken or neglected to be taken by it in good faith in any exercise of reasonable care and believed by it to be within the discretion of power conferred upon it by this Agreement.

ARTICLE SIX

THE BANK

Section 6.01. Duties of the Bank. The Bank undertakes to perform the duties set forth herein. No implied duties or obligations shall be read into this Agreement against the Bank. The Bank hereby agrees to use the funds deposited with it for payment of the principal of and interest on the Bonds to pay the same as it shall become due and further agrees to establish and maintain such accounts and funds as may be required for the Bank to function as Paying Agent.

Section 6.02. Reliance on Documents, Etc.

(a) The Bank may conclusively rely, as to the truth of the statements and correctness of the opinions expressed therein, on certificates or opinions expressed therein, on certificates or opinions furnished to the Bank by the District.

(b) The Bank shall not be liable for any error of judgment made in good faith. The Bank shall not be liable for other than its negligence or willful misconduct in connection with any act or omission hereunder.

(c) No provision of this Agreement shall require the Bank to expend or risk its own funds or otherwise incur any financial liability for performance of any of its duties hereunder, or in the exercise of any of its rights or powers.

(d) The Bank may rely, or be protected in acting or refraining from acting, upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, note, security or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties. The Bank need not examine the ownership of any Bond, but shall be protected in acting upon receipt of Bonds containing an endorsement or instruction of transfer or power of transfer which appears on its face to be signed by the Registered Owner or agent of the Registered Owner.

(e) The Bank may consult with counsel, and the written advice or opinion of counsel shall be full authorization and protection with respect to any action taken, suffered or omitted by it hereunder in good faith and reliance thereon.

(f) The Bank may exercise any of the powers hereunder and perform any duties hereunder either directly or by or through agents or attorneys and shall not be liable for the actions of such agent or attorney if appointed by it with reasonable care.

(g) The Paying Agent shall not be responsible or liable for any failure or delay in the performance of its obligation under this Agreement arising out of or caused, directly or indirectly, by circumstances beyond its reasonable control, including, without limitation, acts of God; earthquakes; fire; flood; wars; terrorism; military disturbances; sabotage; epidemic; riots; interruptions; loss or malfunctions of utilities; computer (hardware or software) or communications services; accidents; labor disputes; acts of civil or military authority or governmental action; it being understood that Paying Agent shall use commercially reasonable efforts which are consistent with accepted practices in the banking industry to resume performance as soon as reasonably practicable under the circumstances.

(h) The Bank shall have the right to accept and act upon instructions, including funds transfer instructions ("Instructions") given pursuant to this Agreement and delivered using Electronic Means ("Electronic Means" shall mean the following communications methods: e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Bank, or another method or system specified by the Bank as available for use in connection with its services hereunder); provided, however, that the District shall provide to the Bank an incumbency certificate listing officers with the authority to provide such Instructions ("Authorized Officers") and containing specimen signatures of such Authorized Officers, which incumbency certificate shall be amended by the District whenever a person is to be added or deleted from the listing. If the District elects to give the Bank Instructions using Electronic Means and the Bank in its discretion elects to act upon such Instructions, the Bank's understanding of such Instructions shall be deemed controlling. The District understands and agrees that the Bank cannot determine the identity of the actual sender of such Instructions and that the Bank shall conclusively presume that directions that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided to the Bank have been sent by such Authorized Officer. The District shall be responsible for ensuring that only Authorized Officers transmit such Instructions to the Bank and that the District and all Authorized Officers are solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt by the District. The Bank shall not be liable for any losses, costs or expenses arising directly or indirectly from the Bank's reliance upon and compliance with such Instructions notwithstanding such directions conflict or are inconsistent with a subsequent written instruction. The District agrees: (i) to assume all risks arising out of the use of

Electronic Means to submit Instructions to the Bank, including without limitation the risk of the Bank acting on unauthorized Instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Bank and that there may be more secure methods of transmitting Instructions than the method(s) selected by the District; (iii) that the security procedures (if any) to be followed in connection with its transmission of Instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Bank immediately upon learning of any compromise or unauthorized use of the security procedures.

Section 6.03. Recitals of District. The recitals contained in the Bond Resolution and the Bonds shall be taken as the statements of the District, and the Bank assumes no responsibility for their correctness.

Section 6.04. May Own Bonds. The Bank, in its individual or any other capacity, may become the owner or pledgee of Bonds with the same rights it would have if it were not the Paying Agent and Bond Registrar for the Bonds.

Section 6.05. Money Held by the Bank. Money held by the Bank hereunder need not be segregated from other funds. The Bank shall have no duties with respect to investment of funds deposited with it and shall be under no obligation to pay interest on any money received by it hereunder.

Any money deposited with or otherwise held by the Bank for the payment of the principal, redemption premium (if any) or interest on any Bond and remaining unclaimed for two years after such deposit will be paid by the Bank to the District, and the District and the Bank agree that the Registered Owner of such Bond shall thereafter look only to the District for payment thereof, and that all liability of the Bank with respect to such moneys shall thereupon cease.

Section 6.06. Other Transactions. The Bank may engage in any financial or other transaction with the District.

Section 6.07. Interpleader. The District and the Bank agree that the Bank may seek adjudication of any adverse claim, demand, or controversy over its person as well as funds on deposit, in a court of competent jurisdiction. The District and the Bank further agree that the Bank has the right to file an action in interpleader in any court of competent jurisdiction to determine the rights of any person claiming any interest herein.

Section 6.08. Indemnification. To the extent permitted by law, the District shall indemnify the Bank, its officers, directors, employees and agents ("Indemnified Parties") for, and hold them harmless against any loss, cost, claim, liability or expense arising out of or in connection with the Bank's acceptance or administration of the Bank's duties hereunder or under the Bond Resolution (except any loss, liability or expense as may be adjudged by a court of competent jurisdiction to be attributable to the Bank's negligence or willful misconduct), including the cost and expense (including its counsel fees) of defending itself against any claim or liability in connection with the exercise or performance of any of its powers or duties under this Agreement. Such indemnity shall survive the termination or discharge of this Agreement or discharge of the Bonds.

ARTICLE SEVEN

MISCELLANEOUS PROVISIONS

Section 7.01. Amendment. This Agreement may be amended only by an agreement in writing signed by both of the parties hereto.

Section 7.02. Assignment. This Agreement may not be assigned by either party without the prior written consent of the other party, except that no such prior written consent shall be required for the Bank's assignment pursuant to the following sentence. Any bank, corporation or association into which the Bank may be merged or converted or with which it may be consolidated, or any bank, corporation or association resulting from any merger, conversion or consolidation to which the Bank shall be a party, or

any bank, corporation or association succeeding to all or substantially all of the corporate trust business of the Bank shall be the successor of the Bank hereunder without the execution or filing of any paper with any party hereto or any further act on the part of any of the parties hereto except on the part of any of the parties hereto where an instrument of transfer or assignment is required by law to effect such succession, anything herein to the contrary notwithstanding..

Section 7.03. Notices. Any request, demand, authorization, direction, notice, consent, waiver or other document provided or permitted hereby to be given or furnished to the District or the Bank shall be mailed or delivered to the District or the Bank, respectively, at the address shown herein, or such other address as may have been given by one party to the other by fifteen (15) days written notice.

Section 7.04. Effect of Headings. The Article and Section headings herein are for convenience of reference only and shall not affect the construction hereof.

Section 7.05. Successors and Assigns. All covenants and agreements herein by the District and the Bank shall bind their successors and assigns, whether so expressed or not.

Section 7.06. Severability. If any provision of this Agreement shall be determined to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby.

Section 7.07. Benefits of Agreement. Nothing herein, express or implied, shall give to any Person, other than the parties hereto and their successors hereunder, any benefit or any legal or equitable right, remedy or claim hereunder.

Section 7.08. Entire Agreement. This Agreement and the Bond Resolution constitute the entire agreement between the parties hereto relative to the Bank acting as Paying Agent, Transfer Agent and Bond Registrar for the Bonds and as Custodian and Disbursing Agent for the payment of costs of issuance relating to the Bonds.

Section 7.09. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of which shall constitute one and the same Agreement.

Section 7.10. Term and Termination. This Agreement shall be effective from and after its date and until the Bank resigns or is removed in accordance with the Bond Resolution; provided, however, that no such termination shall be effective until a successor has been appointed and has accepted the duties of the Bank hereunder.

The Bank may resign at any time by giving written notice thereof to the District. If the Bank shall resign, be removed or become incapable of acting, the District shall promptly appoint a successor Paying Agent and Bond Registrar. If an instrument of acceptance by a successor Paying Agent and Bond Registrar shall not have been delivered to the Bank within thirty 30 days after the Bank gives notice of resignation, the Bank may petition any court of competent jurisdiction at the expense of the District for the appointment of a successor Paying Agent and Bond Registrar. In the event of resignation or removal of the Bank as Paying Agent and Bond Registrar, upon the written request of the District and upon payment of all amounts owing to the Bank hereunder the Bank shall deliver to the District or its designee all funds and unauthenticated Bonds, and a copy of the Bond Register. The provisions of Section 2.02 and Section 6.08 hereof shall survive and remain in full force and effect following the termination of this Agreement.

Section 7.11. Governing Law. This Agreement shall be construed in accordance with and shall be governed by the laws of the State of California.

Section 7.12. Documents to be Filed with Bank. At the time of the Bank's appointment as Paying Agent and Bond Registrar, the District shall file with the Bank the following documents: (a) a certified copy of the Bond Resolution and a specimen Bond; (b) a copy of the opinion of bond counsel provided to the District in connection with the issuance of the Bonds; and (c) a District Request containing written instructions to the Bank with respect to the issuance and delivery of the Bonds, including the name of the Registered Owners and the denominations of the Bonds.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

NORTHERN INYO HEALTHCARE DISTRICT

By  _____
Kevin S. Flanigan
Chief Executive Officer

THE BANK OF NEW YORK MELLON TRUST
COMPANY, N.A., as Paying Agent

By _____
Brian Jensen
Vice President

EXHIBIT A
DEBT SERVICE SCHEDULE

| Interest Payment Date | Principal | Interest | Total |
|-----------------------------|-----------|----------|-------|
| 11/01/2016 | | | |
| 05/01/2017 | | | |
| 11/01/2017 | | | |
| 05/01/2018 | | | |
| 11/01/2018 | | | |
| 05/01/2019 | | | |
| 11/01/2019 | | | |
| 05/01/2020 | | | |
| 11/01/2020 | | | |
| 05/01/2021 | | | |
| 11/01/2021 | | | |
| 05/01/2022 | | | |
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| 05/01/2030 | | | |
| 11/01/2030 | | | |
| 05/01/2031 | | | |
| 11/01/2031 | | | |
| 05/01/2032 | | | |
| 11/01/2032 | | | |
| 05/01/2033 | | | |
| 11/01/2033 | | | |
| 05/01/2034 | | | |
| 11/01/2034 | | | |
| 05/01/2035 | | | |
| 11/01/2035 | | | |

EXHIBIT D

FORM OF 2005 ESCROW AGREEMENT

This Escrow Agreement (this "Escrow Agreement"), dated May 12, 2016, is by and between the NORTHERN INYO HEALTHCARE DISTRICT, a health care district duly created and existing pursuant to the laws of the State of California (the "District"), and THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., a national banking association organized and existing under the laws of the United States of America, as escrow bank (the "Escrow Bank").

WITNESSETH:

WHEREAS, on September 28, 2005, the District issued its "Northern Inyo County Local Hospital District (Inyo County, California) Election of 2005, Series 2005 General Obligation Bonds" (the "2005 Bonds"), in the original principal amount of \$15,035,000, issued for authorized hospital purposes, of which \$13,840,000 remains outstanding;

WHEREAS, the 2005 Bonds were issued under and pursuant to a resolution of the Board, adopted on August 17, 2005 (the "2005 Bond Resolution");

WHEREAS, pursuant to Article 9 of Chapter 3 (commencing with section 53550) of Division 2 of Title 5 of the California Government Code (the "Act"), the District is empowered to issue general obligation refunding bonds;

WHEREAS, the District has determined that it is in the best interests of the District to provide for the defeasance and redemption the 2005 Bonds, and it is desirable to enter into this Escrow Agreement to do so;

WHEREAS, the Board, by resolution adopted on April 20, 2016 (the "Refunding Bond Resolution"), has authorized the issuance and sale of the District's \$_____ 2016 General Obligation Refunding Bonds (the "2016 Refunding Bonds"), and has determined to use a portion of the proceeds of the 2016 Refunding Bonds to provide for the redemption of the outstanding 2005 Bonds in full on May 23, 2016 (the "Redemption Date"), at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to such date (the "Redemption Price");

WHEREAS, the District, in the Refunding Bond Resolution, has directed that a portion of the proceeds of the sale of the 2016 Refunding Bonds be deposited hereunder, and that such amount will be in an amount sufficient to provide for the redemption of the 2005 Bonds on the Redemption Date at the Redemption Price;

WHEREAS, the Escrow Bank has full powers to perform the duties and obligations to be undertaken by it pursuant to this Escrow Agreement.

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants herein set forth, the parties hereto do hereby agree as follows:

Section 1. Discharge of Bonds. The District hereby irrevocably elects to pay and discharge all indebtedness payable by the District under the 2005 Bond Resolution with respect to the 2005 Bonds, and to terminate all obligations of the District thereunder with respect thereto.

Section 2. Escrow Fund.

(a) There is hereby established a special fund, to be held by the Escrow Bank for the benefit of the owners of the 2005 Bonds, to be known as the "Escrow Fund." Upon the issuance of the 2016 Refunding

Bonds, there shall be deposited into the Escrow Fund an amount equal to \$_____, derived as follows:

(i) \$_____ from the proceeds of the 2016 Refunding Bonds;

(ii) \$_____ from amounts held by the District for the scheduled November 1, 2016, interest payment on the 2005 Bonds.

(b) The Escrow Bank shall hold all amounts deposited in the Escrow Fund in cash, uninvested, held solely for the uses and purposes set forth herein.

(c) The Escrow Bank may rely upon the conclusion of _____, as contained in its opinion and accompanying schedules (the "Report") dated May 12, 2016, that the cash on deposit in the Escrow Fund will be sufficient to pay redeem the outstanding 2005 Bonds in full on the Redemption Date at the Redemption Price.

(d) The Escrow Bank shall not be liable or responsible for any loss resulting from its full compliance with the provisions of this Escrow Agreement.

(e) Any money left on deposit in the Escrow Fund after payment in full of the 2005 Bonds, and the payment of all amounts due to the Escrow Bank hereunder, shall be paid to the District and paid to the District and applied to the payment of debt service on the 2016 Refunding Bonds.

Section 3. Instructions as to Application of Deposit.

(a) The moneys deposited in the Escrow Fund pursuant to Section 2 shall be applied by the Escrow Bank for the sole purpose of redeeming the outstanding 2005 Bonds in full on the Redemption Date at the Redemption Price, all as set forth in Exhibit A attached hereto and by this reference incorporated herein.

(b) The District has previously requested that the Escrow Bank, in its capacity as paying agent for the 2005 Bonds, and the Escrow Bank, as paying agent for the 2005 Bonds, has agreed, to give timely notice of the redemption of the 2005 Bonds on the Redemption Date.

Section 4. Compensation to Escrow Bank. The District shall pay the Escrow Bank full compensation for its duties under this Escrow Agreement, including out-of-pocket costs such as publication costs, prepayment or redemption expenses, legal fees and other costs and expenses relating hereto. Under no circumstances shall amounts deposited in the Escrow Fund be deemed to be available for said purposes.

Section 5. Liabilities and Obligations of Escrow Bank. The Escrow Bank shall have no obligation to make any payment or disbursement of any type or incur any financial liability in the performance of its duties under this Escrow Agreement unless the District shall have deposited sufficient funds with the Escrow Bank. The Escrow Bank may rely and shall be protected in acting upon the written instructions of the District or its agents relating to any matter or action as Escrow Bank under this Escrow Agreement.

The Escrow Bank and its respective successors, assigns, agents and servants shall not be held to any personal liability whatsoever, in tort, contract, or otherwise, in connection with the execution and delivery of this Escrow Agreement, the establishment of the Escrow Fund, the acceptance of the moneys deposited therein, the sufficiency of the uninvested moneys held hereunder to accomplish the purposes set forth herein, or any payment, transfer or other application of moneys by the Escrow Bank in accordance with the provisions of this Escrow Agreement or by reason of any non-negligent act, non-negligent omission or non-negligent error of the Escrow Bank made in good faith in the conduct of its duties. The recitals of fact contained in the "whereas" clauses herein shall be taken as the statement of the District, and the Escrow Bank assumes no responsibility for the correctness thereof. The Escrow Bank makes no representations as to the sufficiency of the uninvested moneys to accomplish the purposes set forth herein or to the validity of this Escrow Agreement as to the District and, except as otherwise provided herein, the Escrow Bank shall incur no liability in respect thereof. The Escrow Bank shall not be liable in connection with the performance of its duties under this Escrow Agreement except for its own

negligence or willful misconduct, and the duties and obligations of the Escrow Bank shall be determined by the express provisions of this Escrow Agreement. The Escrow Bank may consult with counsel, who may or may not be counsel to the District, and in reliance upon the written opinion of such counsel shall have full and complete authorization and protection in respect of any action taken, suffered or omitted by it in good faith in accordance therewith. Whenever the Escrow Bank shall deem it necessary or desirable that a matter be proved or established prior to taking, suffering, or omitting any action under this Escrow Agreement, such matter (except the matters set forth herein as specifically requiring a certificate of a nationally recognized firm of independent certified public accountants or an opinion of counsel) may be deemed to be conclusively established by a written certification of the District.

Anything in this Escrow Agreement to the contrary notwithstanding, in no event shall the Escrow Bank be liable for special, indirect, punitive or consequential loss or damage of any kind whatsoever (including but not limited to lost profits), even if the Escrow Bank has been advised of the likelihood of such loss or damage and regardless of the form of action.

The Escrow Bank shall have the right to accept and act upon instructions, including funds transfer instructions ("Instructions") given pursuant to this Agreement and delivered using Electronic Means ("Electronic Means" shall mean the following communications methods: e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Escrow Bank, or another method or system specified by the Escrow Bank as available for use in connection with its services hereunder.); provided, however, that the District shall provide to the Escrow Bank an incumbency certificate listing officers with the authority to provide such Instructions ("Authorized Officers") and containing specimen signatures of such Authorized Officers, which incumbency certificate shall be amended by the District, whenever a person is to be added or deleted from the listing. If the District elects to give the Escrow Bank Instructions using Electronic Means and the Escrow Bank in its discretion elects to act upon such Instructions, the Escrow Bank's understanding of such Instructions shall be deemed controlling. The District understands and agrees that the Escrow Bank cannot determine the identity of the actual sender of such Instructions and that the Escrow Bank shall conclusively presume that directions that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided to the Escrow Bank have been sent by such Authorized Officer. The District shall be responsible for ensuring that only Authorized Officers transmit such Instructions to the Escrow Bank and that the District and all Authorized Officers are solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt by the District. The Escrow Bank shall not be liable for any losses, costs or expenses arising directly or indirectly from the Escrow Bank's reliance upon and compliance with such Instructions notwithstanding such directions conflict or are inconsistent with a subsequent written instruction. The District agrees: (i) to assume all risks arising out of the use of Electronic Means to submit Instructions to the Escrow Bank, including without limitation the risk of the Escrow Bank acting on unauthorized Instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Escrow Bank and that there may be more secure methods of transmitting Instructions than the method(s) selected by the District; (iii) that the security procedures (if any) to be followed in connection with its transmission of Instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Escrow Bank immediately upon learning of any compromise or unauthorized use of the security procedures.

The District hereby assumes liability for, and hereby agrees (whether or not any of the transactions contemplated hereby are consummated), to the extent permitted by law, to indemnify, protect, save and hold harmless the Escrow Bank and its respective successors, assigns, agents, officers, directors, employees and servants from and against any and all liabilities, obligations, losses, damages, penalties, claims, actions, suits, costs, expenses and disbursements (including legal fees and disbursements) of whatsoever kind and nature which may be imposed on, incurred by, or asserted against, at any time, the Escrow Bank (whether or not also indemnified against by any other person under any other agreement or instrument) and in any way relating to or arising out of the execution and delivery of this Escrow Agreement, the establishment of the Escrow Fund, the retention of the moneys therein and any payment, transfer or other application of moneys by the Escrow Bank in accordance with the provisions of this Escrow Agreement, or as may arise by reason of any act, omission or error of the Escrow Bank made in good faith in the conduct of its duties; provided, however, that the District shall not be required to indemnify the Escrow Bank against its own negligence or misconduct. The indemnities

contained in this Section 5 shall survive the termination of this Escrow Agreement or the resignation or removal of the Escrow Bank.

The District acknowledges that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the District the right to receive brokerage confirmations of security transactions as they occur, the District specifically waives receipt of such confirmations to the extent permitted by law. The Escrow Bank will furnish the District monthly cash transaction statements which include detail for all investment transactions made by the Escrow Bank hereunder.

No provision of this Escrow Agreement shall require the Escrow Bank to expend or risk its own funds or otherwise incur any financial liability in the performance or exercise of any of its duties hereunder, or in the exercise of its rights or powers.

The Escrow Bank may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents, attorneys, custodians or nominees appointed with due care and shall not be responsible for any willful misconduct or negligence on the part of any agent, attorney, custodian or nominee so appointed.

The Escrow Bank may conclusively rely and shall be fully protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, approval or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties.

The Escrow Bank may at any time resign by giving 30 days written notice of resignation to the District. Upon receiving such notice of resignation, the District shall promptly appoint a successor and, upon the acceptance by the successor of such appointment, release the resigning Escrow Bank from its obligations hereunder by written instrument, a copy of which instrument shall be delivered to each of the District, the resigning Escrow Bank and the successor. If no successor shall have been so appointed and have accepted appointment within 30 days after the giving of such notice of resignation, the resigning Escrow Bank may petition any court of competent jurisdiction for the appointment of a successor.

Section 6. Amendment. This Escrow Agreement may be modified or amended at any time by a supplemental agreement which shall become effective when the written consents of the owners of one hundred percent (100%) in aggregate principal amount of the 2005 Bonds shall have been filed with the Escrow Bank. This Escrow Agreement may be modified or amended at any time by a supplemental agreement, without the consent of any such owners, but only (1) to add to the covenants and agreements of any party, other covenants to be observed, or to surrender any right or power herein or therein reserved to the District, (2) to cure, correct or supplement any ambiguous or defective provision contained herein, (3) in regard to questions arising hereunder or thereunder, as the parties hereto or thereto may deem necessary or desirable and which, in the opinion of counsel, shall not materially adversely affect the interests of the owners of the 2005 Bonds or the 2016 Refunding Bonds, and that such amendment will not cause interest on the 2005 Bonds or the 2016 Refunding Bonds to become subject to federal income taxation. In connection with any contemplated amendment or revocation of this Escrow Agreement, prior written notice thereof and draft copies of the applicable legal documents shall be provided by the District to each rating agency then rating the 2005 Bonds.

Section 7. Severability. If any section, paragraph, sentence, clause or provision of this Escrow Agreement shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, sentence clause or provision shall not affect any of the remaining provisions of this Escrow Agreement. Notice of any such invalidity or unenforceability shall be provided to each rating agency then rating the 2005 Bonds.

Section 8. Notice of Escrow Bank and District. Any notice to or demand upon the Escrow Bank may be served and presented, and such demand may be made, at the Principal Corporate Trust Office of the Escrow Bank as specified by the Escrow Bank as 2005 Trustee in accordance with the provisions of the 2005 Resolution. Any notice to or demand upon the District shall be deemed to have been sufficiently given or served for all purposes by being mailed by first class mail, and deposited, postage prepaid, in a post office letter box, addressed to such party as provided in the 2005 Resolution (or such other address as may have been filed in writing by the District with the Escrow Bank).

Section 9. Merger or Consolidation of Escrow Bank. Any company into which the Escrow Bank may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which the Escrow Bank may sell or transfer all or substantially all of its corporate trust business, provided such company shall be eligible to act as trustee under the 2005 Resolution, shall be the successor hereunder to the Escrow Bank without the execution or filing of any paper or any further act.

Section 10. Governing Law. This Escrow Agreement shall be construed and governed in accordance with the laws of the State of California.

Section 11. Severability. In case any one or more of the provisions contained in this Escrow Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions of this Escrow Agreement, but this Escrow Agreement shall be construed as if such invalid or illegal or unenforceable provisions had never been contained herein.

Section 12. Counterparts. This Escrow Agreement may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original; and such counterparts, or as many of them as the District and the Escrow Bank shall preserve undestroyed, shall together constitute but one and the same instrument.

Section 13. Business Days. Whenever any act is required by this Escrow Agreement to be done on a specified day or date, and such day or date shall be a day other than a business day for the Escrow Bank, then such act may be done on the next succeeding business day.

IN WITNESS WHEREOF the parties hereto have caused this Escrow Agreement to be executed in their respective names by their respective duly authorized officers, all as of the day and year first above written.

NORTHERN INYO HEALTHCARE DISTRICT

By  _____
Kevin S. Flanigan
Chief Executive Officer

THE BANK OF NEW YORK MELLON TRUST
COMPANY, N.A., as Escrow Bank

By _____
Brian Jensen
Vice President

EXHIBIT A
PAYMENT AND REDEMPTION SCHEDULE

| Date | Maturing Principal | Called Principal | Interest | Redemption Premium | Total Payment |
|---------|-----------------------|---------------------|----------|-----------------------|------------------|
| 5/23/16 | — | \$13,840,000 | | — | |

EXHIBIT E

FORM OF 2009 ESCROW AGREEMENT

This Escrow Deposit and Trust Agreement (this "Escrow Deposit and Trust Agreement"), dated May 12, 2016, is by and between the NORTHERN INYO HEALTHCARE DISTRICT, a health care district duly created and existing pursuant to the laws of the State of California (the "District"), and THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., a national banking association organized and existing under the laws of the United States of America, as escrow bank (the "Escrow Bank").

WITNESSETH:

WHEREAS, on April 21, 2009, the District issued its "Northern Inyo County Local Hospital District (Inyo County, California) General Obligation Bonds, Election of 2005, Series 2009" (the "2009 Bonds"), in the original principal amount of \$14,464,947.15, issued for authorized hospital purposes, of which \$5,685,000 principal amount of current interest bonds remains outstanding and of which \$8,144,947.15 original principal amount of capital appreciation bonds remains outstanding;

WHEREAS, the 2009 Bonds were issued under and pursuant to a resolution of the Board, adopted on September 17, 2008, as amended (the "2009 Bond Resolution");

WHEREAS, pursuant to Article 9 of Chapter 3 (commencing with section 53550) of Division 2 of Title 5 of the California Government Code (the "Act"), the District is empowered to issue general obligation refunding bonds;

WHEREAS, the District has determined that it is in the best interests of the District to provide for the payment of principal of and interest on the current interest 2009 Bonds maturing on November 1, 2038 (the Refunded 2009 Bonds"), to and including November 1, 2017, and to redeem, on November 1, 2017, all Refunded 2009 Bonds then outstanding, and it is desirable to enter into this Escrow Deposit and Trust Agreement to do so;

WHEREAS, the Board of Directors of the District, by resolution adopted on April 20, 2016 (the "Refunding Bond Resolution"), has authorized the issuance and sale of the District's \$_____ 2016 General Obligation Refunding Bonds (the "2016 Refunding Bonds"), and has determined to use a portion of the proceeds of the 2016 Refunding Bonds to provide for the payment of principal of and interest on the Refunded 2009 Bonds to and including November 1, 2017, and for the redemption of the outstanding Refunded 2009 Bonds in full on November 1, 2017 (the "Redemption Date"), at a redemption price equal to 100% of the principal amount thereof (the "Redemption Price");

WHEREAS, the District, in the Refunding Bond Resolution, has directed that a portion of the proceeds of the sale of the 2016 Refunding Bonds be deposited hereunder, and that such amount will be in an amount sufficient to provide for the redemption of the Refunded 2009 Bonds on the Redemption Date at the Redemption Price;

WHEREAS, the Escrow Bank has full powers to perform the duties and obligations to be undertaken by it pursuant to this Escrow Deposit and Trust Agreement.

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants herein set forth, the parties hereto do hereby agree as follows:

Section 1. Discharge of Refunded 2009 Bonds. The District hereby irrevocably elects to pay and discharge all indebtedness payable by the District under the 2009 Bond Resolution with respect to the Refunded 2009 Bonds, and to terminate all obligations of the District thereunder with respect thereto.

Section 2. Escrow Fund.

(a) There is hereby established a special fund, to be held by the Escrow Bank for the benefit of the owners of the Refunded 2009 Bonds, to be known as the "Escrow Fund." Upon the issuance of the 2016 Refunding Bonds, there shall be deposited into the Escrow Fund an amount equal to _____, derived as follows:

(i) \$_____ from the proceeds of the 2016 Refunding Bonds;

(ii) \$_____ from amounts held by the District for the scheduled November 1, 2016, interest payment on the Refunded 2009 Bonds.

(b) The Escrow Bank shall invest \$_____ of the moneys deposited into the Escrow Fund pursuant to the preceding paragraph in the securities set forth in Exhibit A attached hereto and by this reference incorporated herein (the "Escrowed Federal Securities") and shall hold the remaining \$_____ in cash, uninvested. The Escrowed Federal Securities shall be deposited with and held by the Escrow Bank in the Escrow Fund solely for the uses and purposes set forth herein.

(c) The Escrow Bank may rely upon the conclusion of _____, as contained in its opinion and accompanying schedules (the "Report") dated May 12, 2016, that the Escrowed Federal Securities mature and bear interest payable in such amounts and at such times as, together with cash on deposit in the Escrow Fund, will be sufficient to redeem the outstanding Refunded 2009 Bonds in full on the Redemption Date at the Redemption Price.

(d) The Escrow Bank shall not be liable or responsible for any loss resulting from its full compliance with the provisions of this Escrow Deposit and Trust Agreement.

(e) Any money left on deposit in the Escrow Fund after payment in full of the Refunded 2009 Bonds, and the payment of all amounts due to the Escrow Bank hereunder, shall be transferred to the District to be applied to the payment of debt service on the 2016 Refunding Bonds.

(f) If the Escrow Bank learns that the Department of the Treasury or the Bureau of Public Debt will not, for any reason, accept a subscription of state and local government series securities ("SLGS") that is to be submitted pursuant to this Escrow Deposit and Trust Agreement, the Escrow Bank shall promptly request alternative written investment instructions from the District with respect to funds which were to be invested in SLGS. The Escrow Bank shall follow such instructions and, upon the maturity of any such alternative investment, the Escrow Bank shall hold such funds uninvested and without liability for interest until receipt of further written instructions from the District. In the absence of investment instructions from the District, the Escrow Bank shall not be responsible for the investment of such funds or interest thereon. The Escrow Bank may conclusively rely upon the District's selection of an alternative investment as a determination of the alternative investment's legality and suitability and shall not be liable for any losses related to the alternative investments or for compliance with any yield restriction applicable thereto.

Section 3. Instructions as to Application of Deposit.

(a) The moneys deposited in the Escrow Fund pursuant to Section 2 shall be applied by the Escrow Bank for the sole purpose of paying the principal of and interest on the Refunded 2009 Bonds to and including November 1, 2017, and redeeming the outstanding Refunded 2009 Bonds in full on the Redemption Date at the Redemption Price, all as set forth in Exhibit B attached hereto and by this reference incorporated herein.

(b) The Escrow Bank, in its capacity as paying agent for the 2009 Bonds, is hereby requested, and the Escrow Bank, in its capacity as paying agent for the 2009 Bonds, hereby agrees to give notice of the defeasance of the Refunded 2009 Bonds in the form of defeasance notice attached hereto as Exhibit C.

(c) The Escrow Bank, in its capacity as paying agent for the 2009 Bonds is hereby requested, and the Escrow Bank, as paying agent for the 2009 Bonds, hereby agrees to give notice, as soon as practicable,

of the redemption of the Refunded 2009 Bonds on the Redemption Date in accordance with the applicable provisions of the 2009 Bond Resolution and the form of redemption notice attached hereto as Exhibit D.

Section 4. Investment of Any Remaining Moneys. The Escrow Bank shall invest and reinvest the proceeds received from any of the Escrowed Federal Securities, and the cash originally deposited into the Escrow Fund, for a period ending not later than the next succeeding interest payment date relating to the Refunded 2009 Bonds, in Federal Securities pursuant to written directions of the District; *provided, however,* that (a) such written directions of the District shall be accompanied by (i) a certification of an independent certified public accountant or firm of certified public accountants of favorable national reputation experienced in the refunding of obligations of political subdivisions that the Federal Securities then to be so deposited in the Escrow Fund, together with the cash then on deposit in the Escrow Fund, together with the interest to be derived therefrom, shall be in an amount at all times at least sufficient to make the payments specified in Section 3 hereof, and (ii) an opinion of nationally recognized bond counsel ("Bond Counsel") that investment in accordance with such directions will not affect, for Federal income tax purposes, the exclusion from gross income of interest due with respect to the Refunded 2009 Bonds, and (b) if the District directs such investment or reinvestment to be made in United States Treasury Securities-State and Local Government Series, the District shall, at its cost, cause to be prepared all necessary subscription forms therefor in sufficient time to enable the Escrow Bank to acquire such securities. In the event that the District shall fail to file any such written directions with the Escrow Bank concerning the reinvestment of any such proceeds, such proceeds shall be held uninvested by the Escrow Bank. Any interest income resulting from investment or reinvestment of moneys pursuant to this Section 4 and not required for the purposes set forth in Section 2, as indicated by such verification, shall, promptly upon the receipt of such interest income by the Escrow Bank, be paid to the District.

Section 5. Substitution or Withdrawal of Federal Securities. The District may, at any time, direct the Escrow Bank in writing to substitute Federal Securities for any or all of the Escrowed Federal Securities then deposited in the Escrow Fund, or to withdraw and transfer to the District any portion of the Federal Securities then deposited in the Escrow Fund, provided that any such direction and substitution or withdrawal shall be simultaneous and shall be accompanied by (a) a certification of an independent certified public accountant or firm of certified public accountants of favorable national reputation experienced in the refunding of obligations of political subdivisions that the Federal Securities then to be so deposited in the Escrow Fund together with interest to be derived therefrom, or in the case of withdrawal, the Federal Securities to be remaining in the Escrow Fund following such withdrawal together with the interest to be derived therefrom, together with the cash then on deposit in the Escrow Fund, shall be in an amount at all times at least sufficient to make the payments specified in Section 3 hereof; and (b) an opinion of Bond Counsel that the substitution or withdrawal will not affect, for Federal income tax purposes, the exclusion from gross income of interest on the Refunded 2009 Bonds. In the event that, following any such substitution of Federal Securities pursuant to this Section 5, there is an amount of moneys or Federal Securities in excess of an amount sufficient to make the payments required by Section 2 hereof, as indicated by such verification, such excess shall be paid to the District.

Section 6. Compensation to Escrow Bank. The District shall pay the Escrow Bank full compensation for its duties under this Escrow Deposit and Trust Agreement, including out-of-pocket costs such as publication costs, prepayment or redemption expenses, legal fees and other costs and expenses relating hereto. Under no circumstances shall amounts deposited in the Escrow Fund be deemed to be available for said purposes.

Section 7. Liabilities and Obligations of Escrow Bank. The Escrow Bank shall have no obligation to make any payment or disbursement of any type or incur any financial liability in the performance of its duties under this Escrow Deposit and Trust Agreement unless the District shall have deposited sufficient funds with the Escrow Bank. The Escrow Bank may rely and shall be protected in acting upon the written instructions of the District or its agents relating to any matter or action as Escrow Bank under this Escrow Deposit and Trust Agreement.

The Escrow Bank and its respective successors, assigns, agents and servants shall not be held to any personal liability whatsoever, in tort, contract, or otherwise, in connection with the execution and delivery of this Escrow Deposit and Trust Agreement, the establishment of the Escrow Fund, the acceptance of the moneys deposited therein, the sufficiency of the uninvested moneys held hereunder to accomplish the purposes set forth herein, or any payment, transfer or other application of moneys by the

Escrow Bank in accordance with the provisions of this Escrow Deposit and Trust Agreement or by reason of any non-negligent act, non-negligent omission or non-negligent error of the Escrow Bank made in good faith in the conduct of its duties. The recitals of fact contained in the "whereas" clauses herein shall be taken as the statement of the District, and the Escrow Bank assumes no responsibility for the correctness thereof. The Escrow Bank makes no representations as to the sufficiency of the uninvested moneys to accomplish the purposes set forth herein or to the validity of this Escrow Deposit and Trust Agreement as to the District and, except as otherwise provided herein, the Escrow Bank shall incur no liability in respect thereof. The Escrow Bank shall not be liable in connection with the performance of its duties under this Escrow Deposit and Trust Agreement except for its own negligence or willful misconduct, and the duties and obligations of the Escrow Bank shall be determined by the express provisions of this Escrow Deposit and Trust Agreement. The Escrow Bank may consult with counsel, who may or may not be counsel to the District, and in reliance upon the written opinion of such counsel shall have full and complete authorization and protection in respect of any action taken, suffered or omitted by it in good faith in accordance therewith. Whenever the Escrow Bank shall deem it necessary or desirable that a matter be proved or established prior to taking, suffering, or omitting any action under this Escrow Deposit and Trust Agreement, such matter (except the matters set forth herein as specifically requiring a certificate of a nationally recognized firm of independent certified public accountants or an opinion of counsel) may be deemed to be conclusively established by a written certification of the District.

Anything in this Escrow Deposit and Trust Agreement to the contrary notwithstanding, in no event shall the Escrow Bank be liable for special, indirect, punitive or consequential loss or damage of any kind whatsoever (including but not limited to lost profits), even if the Escrow Bank has been advised of the likelihood of such loss or damage and regardless of the form of action.

The Escrow Bank shall have the right to accept and act upon instructions, including funds transfer instructions ("Instructions") given pursuant to this Agreement and delivered using Electronic Means ("Electronic Means" shall mean the following communications methods: e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Escrow Bank, or another method or system specified by the Escrow Bank as available for use in connection with its services hereunder.); provided, however, that the District shall provide to the Escrow Bank an incumbency certificate listing officers with the authority to provide such Instructions ("Authorized Officers") and containing specimen signatures of such Authorized Officers, which incumbency certificate shall be amended by the District, whenever a person is to be added or deleted from the listing. If the District elects to give the Escrow Bank Instructions using Electronic Means and the Escrow Bank in its discretion elects to act upon such Instructions, the Escrow Bank's understanding of such Instructions shall be deemed controlling. The District understands and agrees that the Escrow Bank cannot determine the identity of the actual sender of such Instructions and that the Escrow Bank shall conclusively presume that directions that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided to the Escrow Bank have been sent by such Authorized Officer. The District shall be responsible for ensuring that only Authorized Officers transmit such Instructions to the Escrow Bank and that the District and all Authorized Officers are solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt by the District. The Escrow Bank shall not be liable for any losses, costs or expenses arising directly or indirectly from the Escrow Bank's reliance upon and compliance with such Instructions notwithstanding such directions conflict or are inconsistent with a subsequent written instruction. The District agrees: (i) to assume all risks arising out of the use of Electronic Means to submit Instructions to the Escrow Bank, including without limitation the risk of the Escrow Bank acting on unauthorized Instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Escrow Bank and that there may be more secure methods of transmitting Instructions than the method(s) selected by the District; (iii) that the security procedures (if any) to be followed in connection with its transmission of Instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Escrow Bank immediately upon learning of any compromise or unauthorized use of the security procedures.

The District hereby assumes liability for, and hereby agrees (whether or not any of the transactions contemplated hereby are consummated), to the extent permitted by law, to indemnify, protect, save and hold harmless the Escrow Bank and its respective successors, assigns, agents, officers, directors, employees and servants from and against any and all liabilities, obligations, losses, damages, penalties, claims, actions, suits, costs, expenses and disbursements (including legal fees and

disbursements) of whatsoever kind and nature which may be imposed on, incurred by, or asserted against, at any time, the Escrow Bank (whether or not also indemnified against by any other person under any other agreement or instrument) and in any way relating to or arising out of the execution and delivery of this Escrow Deposit and Trust Agreement, the establishment of the Escrow Fund, the retention of the moneys therein and any payment, transfer or other application of moneys by the Escrow Bank in accordance with the provisions of this Escrow Deposit and Trust Agreement, or as may arise by reason of any act, omission or error of the Escrow Bank made in good faith in the conduct of its duties; provided, however, that the District shall not be required to indemnify the Escrow Bank against its own negligence or misconduct. The indemnities contained in this Section 7 shall survive the termination of this Escrow Deposit and Trust Agreement or the resignation or removal of the Escrow Bank.

The District acknowledges that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the District the right to receive brokerage confirmations of security transactions as they occur, the District specifically waives receipt of such confirmations to the extent permitted by law. The Escrow Bank will furnish the District monthly cash transaction statements which include detail for all investment transactions made by the Escrow Bank hereunder.

No provision of this Escrow Deposit and Trust Agreement shall require the Escrow Bank to expend or risk its own funds or otherwise incur any financial liability in the performance or exercise of any of its duties hereunder, or in the exercise of its rights or powers.

The Escrow Bank may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents, attorneys, custodians or nominees appointed with due care and shall not be responsible for any willful misconduct or negligence on the part of any agent, attorney, custodian or nominee so appointed.

The Escrow Bank may conclusively rely and shall be fully protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, approval or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties.

The Escrow Bank may at any time resign by giving 30 days written notice of resignation to the District. Upon receiving such notice of resignation, either District shall promptly appoint a successor and, upon the acceptance by the successor of such appointment, release the resigning Escrow Bank from its obligations hereunder by written instrument, a copy of which instrument shall be delivered to each of the District, the resigning Escrow Bank and the successor. If no successor shall have been so appointed and have accepted appointment within 30 days after the giving of such notice of resignation, the resigning Escrow Bank may petition any court of competent jurisdiction for the appointment of a successor.

Section 8. Amendment. This Escrow Deposit and Trust Agreement may be modified or amended at any time by a supplemental agreement which shall become effective when the written consents of the owners of one hundred percent (100%) in aggregate principal amount of the Refunded 2009 Bonds shall have been filed with the Escrow Bank. This Escrow Deposit and Trust Agreement may be modified or amended at any time by a supplemental agreement, without the consent of any such owners, but only (1) to add to the covenants and agreements of any party, other covenants to be observed, or to surrender any right or power herein or therein reserved to the District, (2) to cure, correct or supplement any ambiguous or defective provision contained herein, (3) in regard to questions arising hereunder or thereunder, as the parties hereto or thereto may deem necessary or desirable and which, in the opinion of counsel, shall not materially adversely affect the interests of the owners of the Refunded 2009 Bonds or the 2016 Refunding Bonds, and that such amendment will not cause interest on the Refunded 2009 Bonds or the 2016 Refunding Bonds to become subject to federal income taxation. In connection with any contemplated amendment or revocation of this Escrow Deposit and Trust Agreement, prior written notice thereof and draft copies of the applicable legal documents shall be provided by the District to each rating agency then rating the 2009 Bonds.

Section 9. Notice of Escrow Bank and District. Any notice to or demand upon the Escrow Bank may be served and presented, and such demand may be made, at the corporate trust office of the Escrow Bank as specified by the Escrow Bank as 2009 Paying Agent in accordance with the provisions of the 2009 Bond Resolution. Any notice to or demand upon the District shall be deemed to have been sufficiently

given or served for all purposes by being mailed by first class mail, and deposited, postage prepaid, in a post office letter box, addressed to such party as provided in the 2009 Bond Resolution (or such other address as may have been filed in writing by the District with the Escrow Bank).

Section 10. Merger or Consolidation of Escrow Bank. Any company into which the Escrow Bank may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which the Escrow Bank may sell or transfer all or substantially all of its corporate trust business, provided such company shall be eligible to act as trustee under the 2009 Bond Resolution, shall be the successor hereunder to the Escrow Bank without the execution or filing of any paper or any further act.

Section 11. Execution in Several Counterparts. This Escrow Deposit and Trust Agreement may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original; and all such counterparts shall together constitute but one and the same instrument.

Section 12. Governing Law. This Escrow Deposit and Trust Agreement shall be construed and governed in accordance with the laws of the State of California.

Section 13. Severability. In case any one or more of the provisions contained in this Escrow Deposit and Trust Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions of this Escrow Deposit and Trust Agreement, but this Escrow Deposit and Trust Agreement shall be construed as if such invalid or illegal or unenforceable provisions had never been contained herein.

Section 14. Counterparts. This Escrow Deposit and Trust Agreement may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original; and such counterparts, or as many of them as the District and the Escrow Bank shall preserve undestroyed, shall together constitute but one and the same instrument.

Section 15. Business Days. Whenever any act is required by this Escrow Deposit and Trust Agreement to be done on a specified day or date, and such day or date shall be a day other than a business day for the Escrow Bank, then such act may be done on the next succeeding business day.

IN WITNESS WHEREOF the parties hereto have caused this Escrow Deposit and Trust Agreement to be executed in their respective names by their respective duly authorized officers, all as of the day and year first above written.

NORTHERN INYO HEALTHCARE DISTRICT

By  _____
Kevin S. Flanigan
Chief Executive Officer

THE BANK OF NEW YORK MELLON TRUST
COMPANY, N.A., as Escrow Bank

By _____
Brian Jensen
Vice President

EXHIBIT A
SCHEDULE OF ESCROW SECURITIES

| <u>Type</u> | <u>Maturity</u> | <u>Coupon</u> | <u>Par</u> | <u>Price</u> | <u>Cost</u> | <u>Accrued</u> | <u>Total</u> |
|-------------|-----------------|---------------|------------|--------------|-------------|----------------|--------------|
| SLGS | 11/1/16 | | | | | | |
| SLGS | 5/1/17 | | | | | | |
| SLGS | 11/1/17 | | | | | | |
| | | | <hr/> | | <hr/> | <hr/> | <hr/> |
| | | | <hr/> | | <hr/> | <hr/> | <hr/> |

EXHIBIT B

PAYMENT AND REDEMPTION SCHEDULE

| Date | Maturing Principal | Called Principal | Interest | Redemption Premium | Total Payment |
|---------|-----------------------|---------------------|-------------|-----------------------|------------------|
| 11/1/16 | — | — | \$90,562.50 | — | \$ 90,562.50 |
| 5/1/17 | — | — | 90,562.50 | — | 90,562.50 |
| 11/1/17 | — | \$3,150,000 | 90,562.50 | — | 3,240,562.50 |

EXHIBIT C

NOTICE OF DEFEASANCE

Northern Inyo County Local Hospital District
General Obligation Bonds, Election of 2005, Series 2009

| <u>Maturity Date</u> | <u>Amount Defeased</u> | <u>Interest Rate</u> | <u>CUSIP No.</u> |
|----------------------|------------------------|----------------------|------------------|
| 11/1/2038 | \$3,150,000 | 5.750% | 665296 DF3 |

NOTICE IS HEREBY GIVEN, on behalf of the Northern Inyo Healthcare District (the "District") to the owners of the outstanding Northern Inyo County Local Hospital District (Inyo County, California) General Obligation Bonds, Election of 2005, Series 2009 (the "Bonds"), as described above, that pursuant to the resolution authorizing the issuance of the Bonds (the "Resolution"), the lien of the Resolution with respect to the Bonds has been discharged through the irrevocable deposit of cash and U.S. Treasury securities in an escrow fund (the "Escrow Fund"). The Escrow Fund has been established and is being maintained pursuant to that certain Escrow Deposit and Trust Agreement, dated May 12, 2016, by and between the District and The Bank of New York Mellon Trust Company, N.A., as escrow bank. As a result of such deposit, the Bonds are deemed to have been paid and defeased in accordance with the Resolution. The pledge of the funds provided for under the Resolution and all other obligations of the District to the owners of the defeased Bonds shall hereafter be limited to the application of moneys in the Escrow Fund for the payment of the principal and interest with respect to the Bonds as the same become due and payable as described below.

As evidenced by the verification report delivered to the Escrow Bank, amounts deposited in the Escrow Fund are calculated to provide sufficient moneys to pay the principal of and interest on the Bonds to and including November 1, 2017, and to redeem the outstanding Bonds in full on November 1, 2017 (the "Redemption Date"), at a redemption price equal to 100% of the principal amount thereof. From and after the Redemption Date, interest with respect to the Bonds shall cease to accrue and be payable.

Neither the District nor The Bank of New York Mellon Trust Company, N.A., the Escrow Bank, shall be held responsible for the selection or use of the CUSIP number, nor is any representation made as to its correctness as shown in this Defeasance Notice. It is included solely for convenience of the Owners

Dated: _____, 2016

THE BANK OF NEW YORK
MELLON TRUST COMPANY,
N.A., as Escrow Bank

EXHIBIT D

NOTICE OF FULL AND FINAL REDEMPTION

Northern Inyo County Local Hospital District
General Obligation Bonds, Election of 2005, Series 2009

| <u>Dated Date</u> | <u>Maturity Date</u> | <u>Redemption Date</u> | <u>Redemption Price</u> | <u>Interest Rate</u> | <u>CUSIP No.</u> |
|-------------------|----------------------|------------------------|-------------------------|----------------------|------------------|
| 4/21/2009 | 11/1/2038 | 11/1/2017 | \$3,150,000 | 5.750% | 665296 DF3 |

NOTICE is hereby given that the Northern Inyo Healthcare District (the "District") has called for redemption on November 1, 2017 (the "Redemption Date"), the outstanding Northern Inyo County Local Hospital District (Inyo County, California) General Obligation Bonds, Election of 2005, Series 2009, described above (the "Bonds"), in the aggregate principal amount of \$3,150,000 at a price equal to 100% of the principal amount thereof, plus accrued interest to the date fixed for redemption (the "Redemption Price").

Payment of principal will be made upon presentation on and after November 1, 2017, at the following addresses:

First Class/Registered/Certified
The Bank of New York Mellon
Global Corporate Trust
P.O. Box 396
East Syracuse, NY 13057

Express Delivery Only
The Bank of New York Mellon
Global Corporate Trust
111 Sanders Creek Parkway
East Syracuse, NY 13057

By Hand Only
The Bank of New York Mellon
Global Corporate Trust
Corporate Trust Window
101 Barclay Street 1st Floor East
New York, NY 10286

Owners of Bonds presenting their Bonds in person for the same day payment must surrender their Bonds by 1:00 p.m. on the Redemption Date and a check will be available for pickup after 2:00 p.m. Checks not picked up by 4:30 p.m. will be mailed to the owner by first class mail.

Interest with respect to the principal amount designated to be redeemed shall cease to accrue on and after the Redemption Date.

If payment of the Redemption Price is to be made to the owner of the Bonds, such owner is not required to endorse the Bond to collect the Redemption Price.

Under the Economic Growth and Tax Relief Reconciliation Act of 2001 (the "Act") 28% of the Redemption Price will be withheld if a tax identification number is not properly certified. The Form W-9 may be obtained from the Internal Revenue Service.

Neither the District nor The Bank of New York Mellon Trust Company, N.A., the Paying Agent, shall be held responsible for the selection or use of the CUSIP number, nor is any representation made as to its correctness as shown in this Redemption Notice. It is included solely for convenience of the Owners.

Dated: _____, 2017

THE BANK OF NEW YORK
MELLON TRUST COMPANY,
N.A., as Paying Agent