
**ADVENTIST HEALTHCARE, INC.
OBLIGATED GROUP**

**AMENDED AND RESTATED
MASTER TRUST INDENTURE**

February 1, 2003

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AMENDED AND RESTATED MASTER TRUST INDENTURE

THIS AMENDED AND RESTATED MASTER TRUST INDENTURE (this "Amended and Restated Indenture"), dated as of February 1, 2003, is by and among the Obligated Group Members (as defined herein), and the Trustee (as defined herein).

RECITALS

The Obligated Group Members have determined that it is necessary and desirable to provide for the issuance from time to time by the Obligated Group Members of indebtedness and other obligations (collectively, the "Obligations," as defined herein) for any lawful corporate purpose of the Obligated Group Members.

The Obligated Group Members have previously entered into the Original Indenture (as defined herein). Pursuant to the *Third Supplemental Master Trust Indenture* dated as of February 1, 2003 (the "Third Supplemental Indenture"), the Original Indenture shall be automatically amended and restated in its entirety in accordance with this Amended and Restated Indenture upon the Effective Date (defined herein).

All things necessary to constitute this Indenture (as defined herein) a valid agreement have been done and performed, and the creation and delivery of this Indenture have in all respects been duly authorized; and this Indenture shall become effective on the Effective Date.

GRANTING CLAUSES

The Obligated Group Members, in consideration of the premises, of the acceptance by the Trustee of the trusts hereby created, and of the purchase and acceptance of the Obligations by the owners thereof, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, in order to secure the payment of all amounts payable under the Obligations according to their tenor and effect and the performance and observance by the Obligated Group Members of all the covenants expressed or implied herein and in the Obligations, for the equal and ratable benefit of the holders thereof and their respective successors and assigns, forever, subject only to the provisions of this Indenture permitting the application thereof on the terms and conditions set forth in this Indenture, does hereby grant, bargain, sell, convey, assign and pledge to the Trustee, and unto its respective successors in trust and assigns forever, and grant to the Trustee, and unto its respective successors in trust and assigns forever, a security interest in, the following (the "Trust Estate"):

(a) all of the right, title and interest of the Obligated Group Members in and to the Unrestricted Revenues (defined herein); and

(b) all moneys and securities, if any, held at any time by the Trustee under this Indenture;

(c) all of the right, title and interest of the Obligated Group Members in and to any and all other real or personal property of every name and nature from time to time hereafter by delivery or by writing of any kind conveyed, mortgaged, pledged, assigned or transferred, as and for additional security hereunder by the Obligated Group Members or by anyone on their behalf, or with the written consent of the Obligated Group Representative (defined herein), to the Trustee, which is hereby authorized to receive any and all such property at any and all times and to hold and apply the same subject to the terms of this Indenture;

TO HAVE AND TO HOLD all and singular the Trust Estate, whether now owned or hereafter acquired, unto the Trustee and its successors in trust and assigns forever upon the terms and trusts herein set forth for the equal and ratable benefit, security and protection of all present and future such holders, without privilege, priority or distinction as to the lien or otherwise of any Obligation over any other Obligation, except as otherwise expressly provided herein;

PROVIDED, that it is the purpose and intention of the parties that all Obligations outstanding hereunder be secured equally and ratably by this Indenture, that the trust estate under the Original Indenture be included within the Trust Estate hereunder and that the lien of the Original Indenture remain in full force and effect notwithstanding the amendment and restatement thereof in accordance with the Third Supplemental Indenture and this Indenture;

AND PROVIDED FURTHER that, notwithstanding the pledge and assignment made hereby, nothing herein shall be construed to preclude any Obligated Group Member from applying its Unrestricted Revenues to its own uses so long as no Event of Default (defined herein) shall have occurred and be continuing hereunder, and if the Obligated Group Members shall well and truly pay, or cause to be paid all amounts payable under the Obligations according to the true intent and meaning thereof or shall provide for the payment thereof as provided by Article VIII, and shall perform and observe all the covenants and conditions of this Indenture and the Obligations to be performed and observed by them, and shall pay or cause to be paid to the Trustee all sums of money due or to become due to it in accordance with the terms and provisions hereof, then, upon compliance with Article VIII, the lien of this Indenture shall be discharged and satisfied and shall be null and void; otherwise, this Indenture is to be and remain in full force and effect.

All Obligations secured hereunder are to be issued and all such property, rights and interests, including (without limitation) the amounts hereby assigned and pledged, are to be dealt with and disposed of under, upon and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses and purposes as hereinafter expressed.

The Obligated Group Members and the Trustee do hereby agree and covenant for the benefit of the respective owners of the Obligations that the Original Indenture shall be amended and restated in its entirety to read as follows, it being the express intention of the Obligated Group Members and the Trustee that this Indenture shall not extinguish, discharge or release the lien of the Original Indenture and shall not be construed as a substitution or novation of such lien, and that all Obligations, whether issued prior to, on, or after the Effective Date, shall be continuously secured by the Original Indenture, as amended and restated by this Indenture:

ARTICLE I

DEFINITIONS AND RULES OF CONSTRUCTION

Section 1.01. Definitions.

In addition to the terms defined elsewhere herein, terms used in this Indenture shall have the following meanings, unless a different meaning clearly appears from the context:

“Authority” means Maryland Health and Higher Educational Facilities Authority, a body politic and corporate and a public instrumentality under the laws of the State of Maryland, and its successors and assigns.

“Balloon Long-Term Indebtedness” means Long-Term Indebtedness 25% or more of the principal amount of which matures in the same 12-month period, which portion of such principal amount is not required by the documents governing such Long-Term Indebtedness to be amortized by redemption prior to such period.

“Bond Counsel” means McKennon Shelton & Henn LLP or any other law firm designated by the Obligated Group Representative reasonably acceptable to the Trustee having a favorable reputation in the field of municipal law, whose legal opinions are generally accepted by purchasers of municipal bonds.

“Book Value,” when used with respect to any property or interest therein, means the value of such property or interest, net of accumulated depreciation, as it is carried on the books of its owner or its lessee in conformity with generally accepted accounting principles and shall be determined in such a manner that no portion of such property is included more than once.

“Business Day” means a day other than (a) a Saturday, Sunday or legal holiday in the city in which the Designated Office of the Obligated Group Representative or the Trustee is located or (b) a day on which the New York Stock Exchange is closed.

“Capital Improvements” means any capital project, including (without limitation) land, easements, rights-of-way, leaseholds and other interests in real property and any improvement, addition or betterment to or any construction, replacement, remodeling or equipping of any Operating Assets.

“Certificate,” “Notice,” “Opinion,” “Order,” “Request” and “Statement” mean, respectively, a written certificate, notice, opinion, order, request or statement, in form and substance reasonably satisfactory to the Trustee, signed (a) when used with respect to any other Obligated Group Member, the Obligated Group or the Obligated Group Representative, by the President, any Vice President or any other person authorized by the bylaws or a resolution of the governing body of the Obligated Group Representative, and (b) when used with respect to any other person, by an authorized officer thereof. Any such instrument and supporting opinions or representations, if any, may, but need not, be combined in a single instrument with any other

instrument, opinion or representation, and the instruments so combined shall be read and construed as a single instrument.

“Code” means the Internal Revenue Code of 1986, as amended.

“Counsel” means an attorney duly admitted to practice law before the highest court of any state or the District of Columbia designated by the Obligated Group Representative and reasonably acceptable to the Trustee, who may be (without limitation) an officer or employee of an Obligated Group Member.

“Credit Facility” means any liquidity facility, letter of credit, bond insurance policy, bond purchase agreement, guaranty, line of credit, surety bond or similar credit or liquidity facility securing any Obligation or other Indebtedness of any Obligated Group Member.

“Credit Facility Agreement” means the agreement pursuant to which any Credit Facility is issued.

“Credit Facility Provider” means the issuer of any Credit Facility then in effect.

“Current Value” means, when used with respect to any property as of any particular date, the fair market value of such property as shown on a written appraisal reasonably acceptable to the Trustee. Any such appraisal shall be made by (a) an M.A.I. appraiser, in the case of real property, not more than three years prior to such date, (b) a recognized financial publication, in the case of marketable securities, not more than in its most recent publication prior to such date and (c) a broker, appraiser or other expert qualified with respect to the valuation thereof selected by the Obligated Group Representative and reasonably acceptable to the Trustee, which respect to any other property within one year prior to such date.

“Debt Service Coverage Ratio” means, when used with respect to any Fiscal Year, the quotient obtained by dividing (a) the aggregate of the Net Income Available for Debt Service of the Obligated Group for such Fiscal Year by (b) the Maximum Annual Debt Service on all Outstanding Long-Term Indebtedness of the Obligated Group as of the last day of such Fiscal Year.

“Debt Service Requirements” means, when used with respect to any Long-Term Indebtedness for any Fiscal Year, as of any particular date of calculation, the amount required to pay the sum of (a) the interest on such Long-Term Indebtedness payable during such Fiscal Year, and (b) the principal of and any amount required to effect any mandatory redemption of such Long-Term Indebtedness, if any, during such Fiscal Year, less any amount of such interest or principal for the payment of which moneys, Government Obligations or obligations of or guaranteed by any agency or instrumentality thereof, or obligations collateralized thereby, the principal of and interest on which when due will provide for such payment, are held in trust. For the purpose of calculating the Debt Service Requirements:

- (i) with respect to any Variable Rate Indebtedness:

(A) for the purpose of calculating the principal amount of Balloon Long-Term Indebtedness constituting Variable Rate Indebtedness payable in any Fiscal Year under clause (ii)(C) below (1) if any Obligated Group Member shall have entered into any Hedging Transaction with an entity rated in one of the three highest Rating Categories by a Rating Agency identified in the records of the Obligated Group with respect to such Indebtedness for the term thereof, at the option of the Obligated Group, such Indebtedness may be deemed to bear interest at the maximum rate payable thereunder and (2) in any other case, such Indebtedness shall be deemed to bear interest at an interest rate equal to "The Bond Buyer 25 Revenue Bond Index" as published in *The Bond Buyer* (or, if such index is no longer published, a comparable index selected by the Obligated Group Representative and reasonably acceptable to the Trustee) on the most recent date prior to the issuance thereof;

(B) for all other purposes of this Indenture, such Variable Rate Indebtedness shall be deemed to bear interest at an annual rate equal to the weighted average interest rate per annum borne by such Indebtedness during the 12-month period ending on the date of calculation (or, in the case of any Variable Rate Indebtedness to be issued or issued during the immediately preceding 12-month period, the weighted average interest rate per annum borne by other outstanding Indebtedness having comparable terms and issued by, or secured by agreements issued by, entities of comparable creditworthiness during the immediately preceding 12-month period); *provided* that if any Obligated Group Member shall have entered into any Hedging Transaction with an entity rated in one of the three highest Rating Categories by a Rating Agency identified in the records of the Obligated Group with respect to any Indebtedness, at the option of the Obligated Group, such Indebtedness shall be deemed to bear interest at the rate payable under such Hedging Transaction prior to the date of calculation;

(ii) with respect to any Balloon Long-Term Indebtedness, at the option of the Obligated Group Representative:

(A) if a liquidity facility is then in effect with respect to such Indebtedness, the principal amount of such Indebtedness payable in each Fiscal Year as of any date of calculation may be deemed to be the amount that would be payable during such Fiscal Year if such liquidity facility was used or drawn upon to purchase or retire such Indebtedness on the stated maturity date thereof or on any date established for the mandatory redemption thereof, less the aggregate amount required to be on deposit in any sinking fund established to provide for the payment of such Indebtedness in accordance with clause (B) below during such Fiscal Year;

(B) if (1) pursuant to a resolution duly adopted by the governing body of the Obligated Group Member that shall have issued or incurred such Indebtedness, a sinking fund shall have been established to provide for the payment of such Indebtedness when due, and (2) deposits to such sinking fund are current and timely, then the principal amount of such Indebtedness payable in each Fiscal Year may be deemed to be the amount required to be deposited in such sinking fund for such Fiscal Year; or

(C) the principal amount of such Indebtedness payable in each Fiscal Year may be deemed to be the amount that would have been payable during such Fiscal Year if such Indebtedness were required to be amortized in full from the date of its issuance or, in the case of

any such Indebtedness issued to finance or refinance any Capital Improvement, at the option of the Obligated Group Representative, a later date on or before the expected date of completion of such Capital Improvement, in substantially equal annual installments of principal and interest over a term equal to the shorter of (a) 30 years and (b) 120% of the weighted average economic life of the property financed or refinanced thereby;

(iii) with respect to any Optional Tender Indebtedness, the option of the holder thereof to require the redemption or purchase thereof or any required purchase or redemption thereof in connection with any termination of any liquidity facility securing such Optional Tender Indebtedness prior to the stated maturity thereof shall be disregarded;

(iv) with respect to any Guaranty of any Indebtedness that would constitute Long-Term Indebtedness if incurred directly by an Obligated Group Member:

(A) so long as, within the three years immediately preceding the date of calculation, no default shall have occurred with respect to such Indebtedness and no demand for payment shall have been made under such Guaranty, there shall be excluded 80% of the debt service requirements of such guaranteed Indebtedness; and

(B) if during the immediately preceding three-year period, a default shall have occurred with respect to such Indebtedness or a demand for payment shall have been made under such Guaranty, 100% of the debt service requirements of such Indebtedness shall be taken into account; and

(C) such Indebtedness shall be taken into account only once in calculating the Debt Service Requirements of all outstanding Long-Term Indebtedness;

(v) with respect to any Credit Facility Agreement, except as provided in clause (ii)(A) above, so long as no demand for payment under the Credit Facility issued under such Credit Facility Agreement shall have been made, the debt service requirements of such Credit Facility Agreement shall be excluded from such calculation; and

(vi) with respect to any Joint Indebtedness, the amount of the debt service requirements of such Joint Indebtedness that, pursuant to the agreement between or among the primary obligors with respect to such Indebtedness, is required to be paid by persons that are not Obligated Group Members shall be excluded to the extent of the amount of such debt service requirements that would be excluded if a Guaranty of such amount of such Joint Indebtedness were delivered by an Obligated Group Member, determined in accordance with clause (iv) above, as if such persons were the only primary obligors with respect to such amount.

“Designated Office” means, when used with respect to the Obligated Group Representative, the principal office of the Obligated Group Representative, and, when used with respect to or the Trustee, the corporate trust office designated as such by the Trustee.

“Effective Date” means the earliest date as of which (i) none of the Series 1995 Bonds (as defined in the Original Indenture) remain Outstanding or (ii) there shall have been delivered

to the Master Trustee the written consent of Financial Security Assurance Inc. to the amendment and restatement of the Original Indenture in accordance with this Indenture.

“Event of Default” means any event of default specified in Section 6.01.

“Favorable Opinion of Bond Counsel” means, when used with respect to or in connection with any action, an Opinion of Bond Counsel to the effect that such action will not adversely affect the excludability from gross income, for federal income tax purposes, of interest paid on any Tax-Exempt Bonds theretofore issued.

“Fiscal Year” means the period of 12 consecutive months beginning on January 1 in any year and ending on December 31 of such year, or such other fiscal year as the Obligated Group Representative shall establish as the fiscal year of the Obligated Group. If any Obligated Group Member has a different fiscal year from that established by the Obligated Group Representative, “Fiscal Year” when used with respect to such Obligated Group Member shall mean the most recent fiscal year of such Obligated Group Member for which financial statements have been prepared prior to the date as of which any determination is required to be made hereunder.

“Government Obligations” means direct obligations of, or obligations the timely payment of the principal of and the interest on which are unconditionally guaranteed by, the United States of America.

“Governmental Restriction” means any federal, state or other governmental law or regulation affecting any Obligated Group Member or its facilities, including (without limitation) laws or regulations placing restrictions and limitations on (i) the fees, rentals, rates and other charges to be fixed, charged and collected by any Obligated Group Member or (ii) the timing of the receipt of such revenues.

“Guaranty” means any guaranty, loan commitment or other obligation of any Obligated Group Member guaranteeing in any manner, whether directly or indirectly, any Indebtedness of any other person (other than another Obligated Group Member).

“Hedging Transaction” means any transaction entered into by an Obligated Group Member, in order to hedge the interest payable on all or a portion of any Indebtedness, including, (without limitation) an interest rate swap, a forward or futures contract or an option, such as (without limitation) a call, put, cap, floor or collar.

“Holder” or **“holder”** or any similar term means the registered owner of such Obligation or such other person as shall be deemed to constitute the holder or owner thereof in accordance with this Indenture.

“Indebtedness” means any indebtedness or liability for borrowed money, any installment sale obligation or any obligation under any lease that is capitalized under generally accepted accounting principles and any Guaranty of any of the foregoing. Indebtedness shall not include any obligation of any Obligated Group Member to any other Obligated Group Member.

“Indenture” means the Original Indenture as amended and restated by this Amended and Restated Master Trust Indenture, as the same may be further amended, modified or supplemented from time to time by Supplemental Indentures.

“Independent Public Accountant” means Cohen, Rutherford, Blum & Knight, PC or any other individual, partnership or corporation reasonably acceptable to the Trustee engaged in the accounting profession, either entitled to practice, or having members or officers entitled to practice, as a certified public accountant and in fact independent, employed by the Obligated Group from time to time to pass upon those matters required by this Indenture to be passed upon by an Independent Public Accountant.

“Joint Indebtedness” means any Indebtedness for which one or more Obligated Group Members and one or more persons that are not Obligated Group Members are jointly and severally liable.

“Long-Term Indebtedness” means all of the following Indebtedness incurred or assumed by any Obligated Group Member:

- (a) any obligation for the payment of principal and interest with respect to money borrowed for an original term, or renewable at the option of the borrower for a period from the date originally incurred, longer than one year;
- (b) any obligation for the payment of money under leases that are required to be capitalized under generally accepted accounting principles;
- (c) any obligation for the payment of money under installment purchase contracts having an original term in excess of one year; and
- (d) any Guaranty of any Indebtedness that would be described in item (a), (b) or (c) above if such Indebtedness were incurred directly.

“Management Consultant” means an independent professional management consultant having a favorable reputation for skill and experience in hospital consulting work, selected by the Obligated Group and reasonably acceptable to the Trustee, who may be (without limitation) the Independent Public Accountant if the Independent Public Accountant otherwise meets the criteria set forth in this definition.

“Material Member” means any Obligated Group Member whose Total Operating Revenues as set forth on its financial statements for the most recently completed Fiscal Year for which audited financial statements have been prepared exceed ten percent of the Total Operating Revenues of the Obligated Group for the most recently completed Fiscal Year for which audited financial statements have been prepared.

“Maximum Annual Debt Service” means, when used with reference to any Long-Term Indebtedness, as of any particular date of computation, the greatest amount required in the then-current or any future Fiscal Year to pay the Debt Service Requirements of such Long-Term Indebtedness.

“Net Income Available for Debt Service” means, when used with reference to any Obligated Group Member, for any period, an amount determined in accordance with generally accepted accounting principles by deducting (a) the operating expenses of such Obligated Group Member, exclusive of depreciation, interest and amortization of financing expenses from (b) the sum of all operating and nonoperating revenues of such Obligated Group Member; *provided*, however, that there shall be excluded from such calculation any nonoperating gains or losses on the sale or disposition of any asset or on the extinguishment of debt and any unrealized gain or loss on any investment.

“Non-Recourse Indebtedness” means Indebtedness that does not constitute a general obligation of any Obligated Group Member and that is payable solely from (a) property of an Obligated Group Member, or the revenues of property (i) the purchase or improvement of which was financed by such Indebtedness or (ii) that, as of the date on which such Indebtedness is incurred, could be disposed of by such Obligated Group Member pursuant to Section 4.14, (b) payments made to any Obligated Group Member pursuant to pledges or contributions to such Obligated Group Member, or (c) guarantees or payments from a person other than an Obligated Group Member, or any combination of the foregoing.

“Obligated Group” and **“Obligated Group Members”** mean all of the Obligated Group Members, collectively.

“Obligated Group Member” means each Member (as defined in the Original Indenture) and any person that shall become an Obligated Group Member in accordance with the Original Indenture prior to the Effective Date or in accordance with Article III on or after the Effective Date (other than any of the foregoing that shall have withdrawn from the Obligated Group in accordance with the Original Indenture prior to the Effective Date or in accordance with Article III on or after the Effective Date).

“Obligated Group Representative” means the Obligated Group Representative under the Original Indenture or such other entity as shall be designated as such by Notice to the Trustee executed by the President or any Vice President of each of the Obligated Group Members.

“Obligations” means the Existing Notes (as defined in the Original Indenture) outstanding under the Original Indenture on the Effective Date and any other Obligation issued in accordance with Section 2.03.

“Officer's Certificate” means a Certificate of the Obligated Group Representative.

“Operating Assets” means any land, building, machinery, equipment, hardware, inventory or other property or any interest therein (except cash, accounts receivable, investment securities and other property held for investment purposes) of any Obligated Group Member used in its trade or business.

“Optional Tender Indebtedness” means any Indebtedness that is subject to optional or mandatory tender by the holder thereof (including, without limitation, any mandatory tender in connection with the expiration or termination of any Credit Facility securing such Indebtedness

or any conversion of the interest rate on such Indebtedness) for purchase or redemption prior to the stated maturity date thereof if the purchase or redemption price of such Indebtedness is under any circumstances payable by any Obligated Group Member.

“Original Indenture” means the Master Trust Indenture dated as of September 1, 1991 among Shady Grove Adventist Hospital, Incorporated and Washington Adventist Hospital, Incorporated and The First National Bank of Maryland, as trustee, as amended and supplemented by the First Supplemental Master Trust Indenture dated as of November 17, 1993 among Shady Grove Adventist Hospital, Incorporated and Washington Adventist Hospital, Incorporated and The First National Bank of Maryland, as trustee, the Second Supplemental Master Trust Indenture dated as of June 1, 1995 among Shady Grove Adventist Hospital, Incorporated, Washington Adventist Hospital, Incorporated and Shady Grove Adventist Nursing & Rehabilitation Center, Inc. and The First National Bank of Maryland, as trustee, and the Third Supplemental Master Trust Indenture dated as of February 1, 2003 among Adventist HealthCare, Inc., Shady Grove Adventist Nursing & Rehabilitation Center, Inc. and Hackettstown Community Hospital and Allfirst Bank, as trustee, as the same may be further amended and supplemented prior to the Effective Date.

“Outstanding” or **“outstanding”** means, as of any particular date, (a) when used with reference to Obligations, all Obligations authenticated and delivered under this Indenture except (i) any Obligation canceled by the Trustee (or delivered to the Trustee for cancellation) at or before such date, (ii) any Obligation for the payment of the principal of and interest and premium, if any, on which provision shall have been made as provided in Section 8.01 and (iii) any Obligation in lieu of or in substitution for which a new Obligation shall have been authenticated and delivered pursuant to Section 2.05; and (b) when used with reference to any other Indebtedness, all Indebtedness theretofore issued or incurred other than any such Indebtedness that is deemed to have been paid and discharged under generally accepted accounting principles.

“Permitted Encumbrance” means:

(a) any lien arising by reason of any good faith deposit in connection with any lease of real estate, bid or contract (other than any contract for the payment of money), any deposit to secure any public or statutory obligation, or to secure, or in lieu of, any surety, stay or appeal bond, and any deposit as security for the payment of taxes or assessments or other similar charges;

(b) any lien arising by reason of any deposit with, or the giving of any form of security to, any governmental agency or any body created or approved by law or governmental regulation for any purpose at any time as required by law or governmental regulation as a condition to the transaction of any business or the exercise of any privilege or license or to enable any Obligated Group Member to maintain self-insurance or to participate in any funds established to cover any insurance risk or in connection with workers' compensation, unemployment insurance, any pension or profit sharing plan or other social security, or to share in the privileges or benefits required for the participation in such arrangements;

(c) any judgment lien that does not exceed five percent of the Total Operating Revenues of the Obligated Group or that is being contested in good faith by appropriate proceedings diligently pursued and the execution thereon stayed;

(d) any right reserved to or vested in any municipality or public authority by the terms of any right, power, franchise, grant, license, permit or provision of law affecting any property; any lien on any property for taxes, assessments, levies, fees, water and sewer rents or charges and other governmental and similar charges and any lien of any mechanic, materialman, laborer, supplier or vendor for work or services performed or materials furnished in connection with such property that is not due and payable or that is not delinquent or the amount or validity of which is being contested and execution thereon stayed;

(e) this Indenture and any lien or encumbrance permitted by the Original Indenture in existence on the Effective Date, *provided* that such lien or encumbrance is not extended, renewed or modified to apply to any property of any Obligated Group Member not subject to such lien or encumbrance on such date, unless the lien or encumbrance, as so extended, renewed or modified, otherwise qualifies as a Permitted Encumbrance without reference to this clause;

(f) any lien with respect to moneys deposited by patients or others as security for, or as prepayment of, the cost of patient or other client care and any lien arising under law or by contract with respect to initial deposits made under life care contracts;

(g) any lien on property received through any gift, grant or bequest constituting a restriction imposed by the donor, grantor or testator on such gift, grant or bequest or the income therefrom;

(h) any lien of any third-party payor for recoupment of amounts paid for patient care;

(i) statutory reverters under Hill-Burton grants (42 U.S.C. Section 291, *et seq.*) and similar federal or state legislation;

(j) any lien or encumbrance on inventory;

(k) any lien or encumbrance on the Unrestricted Revenues securing any Indebtedness permitted by this Indenture, *provided* that such lien or encumbrance is subordinate to the lien of this Indenture;

(l) any lien or encumbrance securing any Non-Recourse Indebtedness;

(m) any lien granted for the benefit of holders of all outstanding Obligations;

(n) any lease of any Operating Assets which is reasonably necessary or appropriate for or incidental to the operation thereof;

(o) any lien placed upon any property being acquired by any Obligated Group Member to secure Indebtedness incurred to finance all or a portion of the purchase price thereof;

(p) any lien or encumbrance on any property of any Obligated Group Member existing on the date hereof or on the date on which such property was acquired by a Obligated Group Member, or, in the case of any person that is not an initial Obligated Group Member, the date on which such person becomes an Obligated Group Member, including (without limitation) any acquisition as a result of a merger or consolidation permitted by Section 4.11 involving the owner of such property, *provided* that (i) such lien was not created to avoid the limitations on the creation of liens contained in this Indenture, and (ii) such lien is not extended, renewed or modified to apply to any property of any Obligated Group Member not subject to such lien on such date, unless the lien, as so extended, renewed or modified, otherwise qualifies as a Permitted Encumbrance without reference to this clause;

(q) any lien or encumbrance on any accounts receivable, *provided* that the total value of the net accounts receivable so encumbered shall not exceed 25% of the total value of all of the net accounts receivable of the Obligated Group;

(r) any lien or encumbrance securing any Hedging Transaction permitted under this Indenture;

(s) any other liens, easements, rights-of-way, servitudes, restrictions and other defects, liens and encumbrances as do not materially impair the use of the Operating Assets for their intended purposes or the value of the Operating Assets; and

(t) any other lien or encumbrance *provided* that the Value all property subject to any lien or encumbrance under clauses (l), (o), (r) and (t) shall not exceed 20% of the Value of the total assets of the Obligated Group.

“Property,” all rights, titles and interests of any Obligated Group Member in and to any and all property, whether real or personal, tangible or intangible, and wherever situated.

“Rating Agency” means Fitch Ratings, Moody's Investors Service, Inc., Standard & Poor's Ratings Services, or any other securities rating agency that shall have assigned a rating that is then in effect with respect to any Obligations or any Related Bonds, and their successors and assigns, and **“Rating Agencies”** means each such Rating Agency, collectively.

“Rating Category” means one of the general rating categories of a Rating Agency, without regard to any refinement or gradation of such rating category by numerical modifier or otherwise.

“Related Bond Indenture” means any indenture, bond resolution or similar instrument pursuant to which any Related Bonds are issued, as the same may be amended and supplemented from time to time.

“Related Bonds” means any revenue bonds or other obligations issued by or on behalf of any state, commonwealth or territory of the United States of America or any municipal corporation or other political subdivision thereof or any agency or instrumentality of any of the foregoing, the proceeds of which are loaned or otherwise made available to (a) any Obligated Group Member in consideration of the execution, authentication and delivery of an Obligation to

such governmental issuer, the holder of such bonds or obligations or the Related Bond Trustee or (b) any person other than a Obligated Group Member in consideration of the execution, authentication and delivery of an Obligation to the holder of such bonds or obligations or the Related Bond Trustee guaranteeing in whole or in part the repayment of such loan and, when used with reference to any Obligation, means the bonds or obligations in consideration of the issuance of which such Obligation was issued.

“Related Bond Trustee” means any trustee under any Related Bond Indenture and any successor trustee thereunder or, if no trustee is appointed under a Related Bond Indenture, the Related Issuer.

“Related Issuer” means the issuer of Related Bonds.

“Related Loan Document” means any document (including, without limitation, any loan agreement, lease, sublease or installment sales contract) pursuant to which any proceeds of any Related Bonds are loaned to or used for the benefit of any Obligated Group Member, or any property financed or refinanced with such proceeds is leased, sublet or sold to any Obligated Group Member, as the same may be amended and supplemented from time to time.

“Revenue Test” means, when used in connection with any admission to or withdrawal from the Obligated Group, the disposition of any assets, the incurrence of any Indebtedness or any other action, that:

(a) there shall have been delivered to the Trustee an Officer’s Certificate to the effect that the Debt Service Coverage Ratio for the most recent Fiscal Year for which audited financial statements have been prepared was not less than 1.10; and

(b) either:

(i) there shall have been delivered to the Trustee an Officer’s Certificate to the effect that, if such action had been taken as of the first day of the most recent Fiscal Year for which audited financial statements have been prepared, the Debt Service Coverage Ratio for such Fiscal Year would not have been less than 1.25; or

(ii) after giving effect to such action, the projected Debt Service Coverage Ratio for each of the first two full Fiscal Years after the date on which such action is taken or, in the case of the incurrence of any Indebtedness in order to finance any Capital Improvements, the date on which such Capital Improvements are expected to be placed in service, is either:

(A) not less than 1.25; or

(B) not less than 1.00 and is greater than the projected Debt Service Coverage Ratio for each such Fiscal Year assuming such action is not taken.

For the purposes of this Indenture, compliance with paragraph (b)(ii) above shall be evidenced by the Opinion of a Management Consultant, *provided* that compliance with paragraph

(b)(ii) above may be determined by an Officer's Certificate setting forth the Net Income Available for Debt Service of the Obligated Group and the Debt Service Coverage Ratio for the most recent Fiscal Year for which audited financial statements have been prepared and the projected Net Income Available for Debt Service of the Obligated Group and the Debt Service Coverage Ratio for each of the two Fiscal Years referred to in clause (b)(ii) above after giving effect to such action, if the Debt Service Coverage Ratio for each Fiscal Year set forth in such Certificate is not less than 1.50.

"Supplemental Indenture" means any indenture between the Obligated Group Members and the Trustee amending, modifying or supplementing this Indenture, any Supplemental Indenture, or any Obligation executed and delivered in accordance with the terms of this Indenture.

"Tax-Exempt Bonds" means any Obligations or Related Bonds with respect to which there shall have been delivered to the issuer thereof an opinion of bond counsel to the effect that the interest thereon is excludable from gross income for federal income tax purposes.

"Tax-Exempt Obligated Group Member" means an Obligated Group Member that is an organization described in Section 501(c)(3) of the Code and exempt from federal income taxation under Section 501(a) of the Code.

"Total Operating Revenues" means, when used with reference to any Obligated Group Member for any period, the sum of all operating and nonoperating revenues of such Obligated Group Member for such period, determined in accordance with generally accepted accounting principles consistently applied.

"Trust Estate" means all property, rights and other assets that from time to time may be pledged and assigned to the Trustee under the Granting Clauses of this Indenture.

"Trustee" means the Master Trustee under and as defined in the Original Indenture on the Effective Date and any other corporation or association that may at any time be substituted in its place pursuant to this Indenture, and their successors.

"Unrestricted Revenues" means all receipts, revenues, income and other moneys received by or on behalf of an Obligated Group Member, including, but without limiting the generality of the foregoing, revenues derived from the ownership or operation of Property, including insurance and condemnation proceeds with respect to Property or any portion thereof, and all rights to receive the same, whether in the form of accounts, accounts receivable, contract rights or other rights, and the proceeds of such rights, and whether now owned or held or hereafter coming into existence; *provided*, however, that Unrestricted Revenues shall not include gifts, grants, bequests, donations and contributions heretofore or hereafter made and designated or specified by the granting authority, donor or maker thereof as being for specified purposes inconsistent with the payment of debt service on Indebtedness and the income derived therefrom to the extent required by such designation or specification.

“**Value**” means (i) when used in connection with any property other than any investment security, at the option of the Obligated Group, the Book Value or Current Value thereof and (ii) when used with respect to any investment, the Value of such investment.

“**Variable Rate Indebtedness**” means, as of any particular date, Long-Term Indebtedness the interest rate on which is not established at a fixed rate or rates for the remaining term thereof.

Section 1.02. Rules of Construction.

Unless the context clearly indicates to the contrary, the following rules shall apply to the construction of this Amended and Restated Indenture:

(a) Words importing the singular number include the plural number and words importing the plural number include the singular number.

(b) Words of the masculine gender include correlative words of the feminine and neuter genders.

(c) The headings and the table of contents set forth in this Amended and Restated Indenture are solely for convenience of reference and shall not constitute a part of this Amended and Restated Indenture, nor shall they affect its meaning, construction or effect.

(d) Words importing persons include any individual, corporation, partnership, joint venture, association, joint stock company, trust, unincorporated organization or government or agency or political subdivision thereof.

(e) Any reference to a particular percentage or proportion of Obligations shall mean the holders at the particular time of the specified percentage or proportion in aggregate principal amount of all Obligations then Outstanding under this Indenture affected thereby, except Obligations held by or for the account of any Obligated Group Member or affiliate thereof, whether or not pledged to or by any Obligated Group Member or affiliate thereof to secure any Indebtedness, *provided*, that Obligations so pledged may be regarded as Outstanding for the purposes of this paragraph if the pledgee shall establish to the satisfaction of the Trustee the pledgee's right to vote such Obligations. For the purposes of this paragraph, Obligations held by or on behalf of any Credit Facility Provider shall not be deemed to be held by or for the account of any Obligated Group Member or affiliate.

(f) Any reference to a particular Article or Section shall be to such Article or Section of this Amended and Restated Indenture unless the context shall otherwise require.

ARTICLE II

AUTHORIZATION AND ISSUANCE OF OBLIGATIONS

Section 2.01. Obligations Authorized.

In addition to the Obligations outstanding hereunder as of the Effective Date, additional Obligations may be issued by one or more of the Obligated Group Members from time to time hereunder. The aggregate principal amount of Obligations that may be issued and outstanding hereunder at any one time is not limited, except as expressly provided by this Indenture. No Obligations may be issued under this Indenture except in accordance with this Article.

Section 2.02. Nature and Form of Obligations.

Any obligation of any Obligated Group Member may constitute an Obligation hereunder if all of the requirements of Section 2.03 are satisfied with respect thereto. Without limiting the generality of the foregoing, obligations may consist of (a) bonds, notes, debentures, loan agreements, reimbursement agreements, capitalized leases, installment sale agreements, conditional purchase agreements and other Indebtedness, (b) leases that are not capitalized, agreements entered into in connection with Hedging Transactions and other obligations and (c) Guaranties of any of the foregoing.

The aggregate principal amount of Obligations that may be issued or outstanding hereunder at any one time is not limited, except as provided in Section 4.12. No Obligations may be issued under this Indenture except in accordance with this Article.

Additional Obligations shall be issued in such forms as shall be set forth in the Supplemental Indentures authorizing the issuance of such Obligations.

Section 2.03. Issuance of Obligations; Conditions Precedent to Delivery of Obligations.

The issuance of each Obligation or series of Obligations shall be authorized by a Supplemental Indenture, which shall specify all matters required to be provided in this Section. The Supplemental Indenture authorizing the issuance of any Obligation shall specify the form thereof and any other terms and provisions thereof.

Each Obligation shall be executed by an Obligated Group Member and delivered to the Trustee, whereupon the Trustee shall authenticate such Obligation in accordance with this Article and deliver such Obligation to or upon the order of the Obligated Group Representative, *provided* that prior to the authentication of any Obligation the Trustee shall have received:

(a) an executed counterpart of the Supplemental Indenture authorizing the authentication of such Obligation, executed by the Obligated Group Representative and the Trustee;

(b) all certificates, opinions, written statements and other items required pursuant to Section 4.12 in connection with the incurrence by the Obligated Group Members of such Obligation, or, if such Obligation does not constitute Indebtedness, evidence that the Obligated Group shall have satisfied the Revenue Test, in each case as if such Obligation were incurred on the date of the authentication thereof by the Trustee;

(c) a copy of a resolution of the governing body of each Obligated Group Member authorizing the issuance of such Obligation and the execution and delivery by the Obligated Group Representative of the Supplemental Indenture authorizing the authentication of such Obligation, certified by an authorized officer of the Obligated Group Representative;

(d) an Opinion of Counsel to the effect that (i) the Supplemental Indenture authorizing the issuance of such Obligation has been duly authorized, executed and delivered by the Obligated Group Representative in accordance with this Indenture and, assuming the due authorization, execution and delivery thereof by the Trustee, constitutes the valid and binding obligation of the Obligated Group; (ii) the Obligated Group Member is duly authorized and entitled to issue such Obligation and, upon the execution, authentication and delivery thereof as provided in such Supplemental Indenture, such Obligation will be duly and validly issued in accordance with this Indenture and will constitute a valid and binding obligation of the Obligated Group Members in accordance with its terms; (iii) all outstanding Obligations are secured equally and ratably with such Obligation by any pledge, lien or other security interest in any property of any Obligated Group Member securing such Obligation; and (iv) the issuance of such Obligation is in accordance with the provisions of this Indenture and the Supplemental Indenture authorizing the issuance of such Obligation;

(e) an Officer's Certificate to the effect that, upon the issuance of such Obligation, no Event of Default or event that, with notice or lapse of time or both, would constitute an Event of Default, shall have occurred and be continuing; and

(f) an Order of the Obligated Group Representative directing the authentication and delivery of such Obligation and designating the person to whom such Obligation is to be delivered.

Section 2.04. Execution and Authentication.

Each Obligation shall be executed in the name and on behalf of the Obligated Group Representative by the manual or facsimile signature of such officer as shall be authorized by law or a resolution of the governing body of the Obligated Group Representative or the bylaws of the Obligated Group Representative to execute the same. In case any officer whose manual or, to the extent permitted by law, facsimile signature appears on any Obligation shall cease to be such officer before delivery of such Obligation, such signature, nevertheless, shall be valid and sufficient for all purposes as if he had remained in office until such delivery, and the Obligated

Group Representative may adopt and use for the execution of Obligations the manual or the facsimile signature of any person who shall have been at the time the proper officer to execute such Obligations, notwithstanding the fact that he may not have been such officer on the date of such Obligations or that he may have ceased to be such officer at the time when such Obligations shall be actually authenticated and delivered.

No Obligation shall be valid or obligatory for any purpose or entitled to any right or benefit hereunder unless there shall be endorsed on such Obligation a certificate of authentication, duly executed by the Trustee to the effect that such Obligation is an Obligation issued under this Indenture.

The authentication certificate of the Trustee may be executed by any authorized signatory of the Trustee.

Section 2.05. Registration and Exchange of Obligations; Lost, Stolen or Mutilated Obligations; Cancellation of Obligations.

The provisions of this Section shall apply to all Obligations, unless otherwise provided with respect to any particular Obligations in the Supplemental Indenture authorizing the authentication thereof.

Books for registration and the registration of transfer of Obligations shall be prepared and kept by the Trustee.

If any Obligation is surrendered to the Trustee at its Designated Office for transfer or exchange in accordance with the provisions of such Obligation, the Obligated Group Representative shall execute and the Trustee shall authenticate and deliver in exchange for such Obligation a new Obligation or Obligations, in accordance with the terms thereof.

Neither the Trustee nor any Obligated Group Member shall be required to register the transfer of any Obligation or make any such exchange of any Obligation after such Obligation or any portion thereof has been selected for redemption in accordance with the terms thereof.

If any temporary or definitive Obligation shall become mutilated or be destroyed, lost or stolen, the Obligated Group Representative in its discretion may execute, and upon its Request the Trustee shall authenticate and deliver, a new Obligation in exchange for the mutilated Obligation, or in lieu of and substitution for the Obligation so destroyed, lost or stolen. In every case of exchange or substitution, the applicant shall furnish to the Obligated Group Representative and the Trustee (i) evidence to their satisfaction of the mutilation, destruction, loss or theft of the Obligation and of the ownership thereof and (ii) in the case of any destroyed, lost or stolen Obligation, such security or indemnity as may be required by them to save each of them harmless from all risks, however remote. The Trustee may authenticate any Obligation issued upon such exchange or substitution and deliver such Obligation upon the Request of the Obligated Group Representative. Upon the issuance of any Obligation upon such exchange or substitution, the Obligated Group Representative and the Trustee may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation

thereto and any other expenses, including counsel fees, of the Obligated Group Representative or the Trustee. If any Obligation that has matured or is about to mature shall become mutilated or be destroyed, lost or stolen, instead of issuing an Obligation in exchange or substitution therefor, the Obligated Group Representative may pay or authorize the payment of such Obligation (without surrender thereof except in the case of a mutilated Obligation) if the applicant for such payment shall furnish to the Obligated Group Representative and the Trustee evidence to their satisfaction of the mutilation, destruction, loss or theft of such Obligation and of the ownership thereof and, in the case of any destroyed, lost or stolen Obligation, such security or indemnity as they may require to save each of them harmless.

Every Obligation issued pursuant to the provisions of this Section in exchange or substitution for any Obligation that is mutilated, destroyed, lost or stolen shall constitute an additional contractual obligation of the Obligated Group Members, whether or not the destroyed, lost or stolen Obligation shall be found at any time, or be enforceable by anyone, and shall be entitled to all the benefits hereof equally and proportionately with any and all other Obligations duly issued under this Indenture. All Obligations shall be held and owned upon the express condition that the foregoing provisions, together with any provisions relating to a particular Obligation set forth in any Supplemental Indenture, are exclusive with respect to the replacement or payment of mutilated, destroyed, lost or stolen Obligations, and shall preclude any and all other rights or remedies, notwithstanding any law or statute existing or hereafter enacted to the contrary with respect to the replacement or payment of negotiable instruments or other securities without their surrender.

All mutilated Obligations, all Obligations surrendered for exchange or transfer, all Obligations that have been paid at maturity or upon prior redemption and all Obligations surrendered to the Trustee by the Obligated Group Members for cancellation shall be canceled by the Trustee and cremated or destroyed by other means. The Trustee shall deliver to the Obligated Group Representative, upon request, a certificate of any such cremation or other destruction of any Obligation, identifying the Obligation so canceled and cremated or otherwise destroyed.

ARTICLE III

OBLIGATED GROUP

Section 3.01. Obligated Group.

Each Obligated Group Member, as a co-obligor and not a guarantor, shall at all times be jointly and severally liable for each representation, warranty, covenant, agreement and other obligation of each other Obligated Group Member and the Obligated Group under this Indenture, including (without limitation) the obligation to pay when due all amounts payable under any Obligations now existing or hereafter issued. The Trustee may, in its discretion, look to any or all of such Obligated Group Members for performance of such covenants, agreements and other obligations.

Section 3.02. Admission to Obligated Group.

Any person may be admitted to the Obligated Group, from time to time, upon Notice from the Obligated Group Representative to the Trustee, *provided* that each of the following conditions shall have been satisfied on and as of the date as of which any such person becomes an Obligated Group Member (the "Admission Date"):

(a) the applicant for such admission (the "Applicant") shall have granted to the Trustee a lien on and security interest in all of its Unrestricted Revenues, subject only to Permitted Encumbrances, and shall have executed and delivered to the Trustee such supplemental security agreements, financing statements and other documents as the Trustee may reasonably require;

(b) the Applicant shall have duly executed and delivered, or caused to be executed and delivered, to the Trustee a Supplemental Indenture and such other agreements and instruments as reasonably may be required by the Trustee to evidence the agreement of the Applicant to become an Obligated Group Member and to become obligated to observe, perform and comply with all of the provisions of this Indenture;

(c) the admission of the Applicant shall not result in the occurrence of an Event of Default or event that, with notice or lapse of time or both, would constitute an Event of Default, and a Certificate to that effect shall have been delivered to the Trustee by the Obligated Group Representative;

(d) the Trustee shall have received an Opinion of Counsel to the effect that the Supplemental Indenture and any other agreements and instruments executed by the Applicant or any Obligated Group Member in connection with the admission of the Applicant (including, without limitation, any agreements of cross indemnity and cross guaranty) have been duly authorized, executed and delivered by the Applicant or such Obligated Group Member (as the case may be) in accordance with this Indenture and are valid, binding and enforceable obligations of the Applicant or such Obligated Group Member (as the case may be);

(e) the Revenue Test shall have been satisfied; and

(f) the Trustee shall have received a Favorable Opinion of Bond Counsel.

Section 3.03. Withdrawal from Obligated Group.

Except as permitted by Section 4.11, no Obligated Group Member may withdraw from the Obligated Group unless Notice of the proposed withdrawal of such Obligated Group Member shall have been provided by the Obligated Group Representative to the Trustee, and each of the following conditions shall have been satisfied on and as of the date as of which such withdrawal becomes effective (the "Withdrawal Date"):

(a) there shall have been delivered to the Trustee the written consent of the Obligated Group Representative to such withdrawal;

(b) such withdrawal shall not result in the occurrence of an Event of Default or event that, with notice or lapse of time or both, would constitute an Event of Default, and a Certificate to that effect shall have been delivered to the Trustee by the Obligated Group Representative;

(c) the Revenue Test shall have been satisfied; and

(d) the Trustee shall have received a Favorable Opinion of Bond Counsel.

Upon the withdrawal of any person from the Obligated Group, such person shall have no further liability as obligor or guarantor of any Obligation or otherwise under this Indenture.

Notwithstanding the foregoing, Adventist HealthCare, Inc. may not withdraw from the Obligated Group.

ARTICLE IV

PARTICULAR COVENANTS

Section 4.01. Payment of Obligations.

The Obligated Group Members unconditionally and irrevocably, jointly and severally, covenant that they will promptly pay all amounts payable under the outstanding Obligations and all other amounts payable by the Obligated Group Members hereunder, at the place, on the dates and in the manner provided herein and in such Obligations according to the true intent and meaning thereof. The obligation of each Obligated Group Member to pay or cause to be paid the amounts payable hereunder and under the Obligations shall be joint and several, absolute, irrevocable, complete and unconditional and the amount, manner and time of payment of such amounts shall not be decreased, abated, rebated, setoff, reduced, abrogated, waived, diminished or otherwise modified in any manner or to any extent whatsoever regardless of any right of setoff, recoupment or counterclaim that any Obligated Group Member might otherwise have against the Trustee, the Holder of any Obligation, any Related Issuer or any other party and regardless of any contingency, *force majeure*, event or cause whatsoever.

Section 4.02. Satisfaction of Obligations.

The Obligated Group Members shall fix, charge and collect such fees, rentals, rates and other charges in connection with the operation of the Operating Assets and the products and services provided by the Obligated Group Members that, together with the general funds of the Obligated Group Members and any other moneys available to the Obligated Group Members, shall provide moneys at least sufficient at all times to pay (i) all amounts payable on all Obligations, (ii) all expenses of operation, maintenance and repair of the Operating Assets and (iii) all other obligations of the Obligated Group Members as they become due and payable. The Obligated Group Members shall, from time to time as often as necessary, revise such fees, rentals, rates and other charges to the extent required to comply with the provisions of this Section.

Section 4.03. Rate Covenant.

(a) The Obligated Group Members shall fix, charge and collect such fees, rentals, rates and other charges in connection with the operations of the Obligated Group Members and the products and services provided by the Obligated Group as shall be sufficient to produce in each Fiscal Year a Debt Service Coverage Ratio as of the last day of such Fiscal Year that is not less than 1.10. There shall be excluded from the calculation of the Debt Service Coverage Ratio required by this paragraph the Debt Service Requirements of any Long-Term Indebtedness issued to finance Capital Improvements until the earliest of (i) the first full Fiscal Year after the utilization of such Capital Improvements has begun, (ii) the first Fiscal Year in which the principal of any such Long-Term Indebtedness shall become due and payable and (iii) the first Fiscal Year in which any interest on such Long-Term Indebtedness ceases to be paid from amounts deposited in escrow for payment of interest on such Long-Term Indebtedness.

(b) If the fees, rentals, rates and other charges imposed and collected by the Obligated Group shall be less than the amount required under paragraph (a) of this Section in any Fiscal Year, the Obligated Group Members, at their expense, shall immediately employ a Management Consultant to submit a Report including recommendations with respect to such fees, rentals, rates and other charges and improvements or changes in the operations of or the services rendered by the Obligated Group. The Obligated Group Members shall require any Management Consultant employed hereunder to file its report and recommendations within 120 days from the end of any such Fiscal Year with the Trustee, and any holders of any Obligations or Related Bonds who shall have filed with the Trustee a written request for such report.

(c) Notwithstanding the provisions of paragraph (b) of this Section, upon the Request of the Obligated Group Representative, the Trustee shall waive the requirement that the Obligated Group Members appoint a Management Consultant in accordance with this Section in such Fiscal Year, if:

(i) the fees, rentals, rates and other charges imposed and collected by the Obligated Group Members, together with any unrestricted funds and other moneys available to the Obligated Group, shall equal or exceed the amount required under paragraph (a) of this Section in such Fiscal Year; and

(ii) there is delivered to the Trustee the Statement of an Independent Public Accountant to the effect that Governmental Restrictions prevented the Obligated Group Members from meeting the requirements of paragraph (a) of this Section, together with a concurring Opinion of Counsel as to any conclusions of law supporting such Statement.

If the Trustee waives the requirement that the Obligated Group Members appoint a Management Consultant pursuant to this paragraph the Trustee shall so notify any Related Issuers and holders of Obligations or Related Bonds who shall have filed with the Trustee a Request for such notification.

(d) Any Management Consultant retained by the Obligated Group Members pursuant to this Section may recommend with respect to the fees, rentals, rates or other charges imposed and collected by the Obligated Group and with respect to improvements or changes in the operations of or the services rendered by the Obligated Group Members that the Obligated Group Members either (A) make no change or (B) make some change, even though such recommendation is not calculated to result in compliance with the requirements of this Section, if the Management Consultant includes in its report a statement to the effect that compliance with the recommendations included in such report should result in compliance with such requirements to the maximum extent feasible.

(e) To the extent permitted by applicable law, the Obligated Group Members shall revise their fees, rentals, rates and charges in conformity with any recommendation of the Management Consultant retained pursuant to this Section and otherwise follow the recommendations of such Management Consultant. If the requirement for the appointment of a Management Consultant is waived in any Fiscal Year pursuant to this Section, or if the Obligated Group Members shall revise such fees, rentals, rates and other charges in conformity with the recommendations of the Management Consultant and otherwise follow the recommendations of the Management Consultant, then the failure to meet the requirements of this Section for such Fiscal Year shall not constitute an Event of Default. If approvals of any regulatory or supervisory authority are required in order to fix, charge, collect and otherwise implement any fees, rentals, rates and charges required by the operation of this Section, the Obligated Group Members shall take all action within their power to obtain such approvals in an expeditious manner.

(f) The requirements of this Section shall not be construed to prohibit any Obligated Group Member from providing services to indigent patients without charge or at reduced rates to the extent required to retain any Tax-Exempt Obligated Group Member's status as tax-exempt under applicable law, to comply with then applicable requirements of law or to fulfill the medical responsibility of such entity to its patients or to the extent of moneys designated by their donor for the purpose of providing such services.

(g) Nothing set forth in this Section shall be construed to excuse the Obligated Group Members from the payment in timely manner of all amounts due under any Obligation or the performance of any other obligation of the Obligated Group Members under this Indenture.

Section 4.04. Obligations Not to Be Impaired.

While the covenants of the Obligated Group Members set forth in Sections 4.02 and 4.03 are subject to applicable requirements imposed by law or lawfully imposed by federal, state or local regulatory authorities, nothing therein shall be construed or applied so as to permit any federal, state or local authority to impair the obligation of the Obligated Group Members to fix, charge and collect fees, rentals, rates and other charges in the amounts required by such Sections. The Obligated Group Members shall make timely application for, and diligently pursue to a prompt conclusion, any proceedings required to obtain all regulatory approvals necessary to enable the Obligated Group Members to perform in timely manner all of their obligations under this Indenture.

Section 4.05. Operation and Maintenance of the Operating Assets.

The Obligated Group Members shall operate the Operating Assets in a sound and economical manner and shall maintain, preserve and keep the Operating Assets in good condition and repair. The Obligated Group Members shall make all necessary and proper repairs, replacements and renewals so as to conduct the operation of the Operating Assets in accordance with all applicable governmental operating standards.

The Obligated Group Members shall pay all extraordinary expenses of maintaining, repairing and replacing the Operating Assets to the extent necessary to permit the Obligated Group Members to make the payments required by this Indenture and to perform their obligations hereunder.

Section 4.06. Compliance with Law; Accreditation.

The Obligated Group Members shall conduct their operations in accordance with all material laws, regulations, requirements or orders of any federal, state or local agency, court or other governmental body applicable from time to time to the ownership or operation of the property of the Obligated Group Members. The Obligated Group Members shall obtain and maintain all material permits, licenses and approvals necessary for the fulfillment of their obligations under this Indenture. Nothing contained in this Section shall be construed to prevent the Obligated Group Members from contesting in good faith the validity of any such law, regulation, requirement or order, *provided* that such contest shall not materially adversely affect the ability of the Obligated Group Members to comply with the provisions of this Indenture or the effective use or operation of any material portion of the Operating Assets.

The Obligated Group Members shall not allow any permit, right, franchise or privilege necessary for the ownership or operation of any material portion of the Operating Assets to lapse or be forfeited. Each Obligated Group Member that operates a hospital or other health care facility shall use its best efforts to maintain its accreditation by the Joint Commission on Accreditation of Health Care Organizations or its successors and its qualification as a provider of services under the Medicare and Medicaid programs or any successor program to either or any program by a federal, state or local government providing for payment or reimbursement for services rendered for hospital and health care unless the governing body of the Obligated Group Representative determines in good faith that to do so is not in the best economic interest of such Obligated Group Member.

Section 4.07. Federal Tax Exemptions.

(a) The Obligated Group Members shall not (i) perform any act or enter into any agreement that shall cause any revocation or adverse modification of the federal income tax status of any Tax-Exempt Obligated Group Member or (ii) carry on or permit to be carried on in the facilities of any Tax-Exempt Obligated Group Member or permit such facilities to be used in or for any trade or business, the conduct of which is not substantially related to the exercise or performance by such Tax-Exempt Obligated Group Member of the purposes or functions

constituting the basis for its tax-exempt status under the Code, if such use of such facilities would result in the loss by any Tax-Exempt Obligated Group Member of its tax-exempt status under the Code. The Obligated Group Members shall immediately take all steps necessary to restore the tax-exempt status under the Code of any Obligated Group Member which shall lose that status for any reason.

Notwithstanding the foregoing provisions of this Section, no Tax-Exempt Obligated Group Member shall be obligated to maintain its tax-exempt status as provided herein if there shall be delivered to the Trustee (i) in the case of any Obligated Group Member that is not a Material Member, an Officer's Certificate to the effect that, if the loss of such status had occurred as of the first day of the most recently completed Fiscal Year for which audited financial statements have been prepared, the Debt Service Coverage Ratio for such Fiscal Year would have been not less than 1.10, or in the case of any Material Member, an Opinion of a Management Consultant to the effect that for each Fiscal Year during the period ending at least two full Fiscal Years after the loss by such Obligated Group Member of its tax-exempt status, the Debt Service Coverage Ratio is projected to be not less than 1.10, (ii) a Favorable Opinion of Bond Counsel, and (iii) an Opinion of Counsel addressed to the Trustee to the effect that the failure of such Obligated Group Member to maintain its tax-exempt status will not adversely affect any exemption of any Obligations or Related Bonds from the registration requirements of the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, or the exemption of this Indenture or any Related Bond Indenture from qualification under the Trust Indenture Act of 1939, as amended.

(b) The Obligated Group Members shall (i) take any and all action necessary to maintain the excludability from gross income for federal income tax purposes of the interest on all Tax-Exempt Bonds and (ii) not perform any act or enter into any agreement, merger, consolidation or corporate reorganization, or use or permit the use of their facilities or any portion thereof in a manner that shall have the effect of terminating the excludability from gross income for federal income tax purposes of the interest paid on any Tax-Exempt Bonds.

Section 4.08. Obligated Group to Provide Information.

Upon the request of the Trustee, the Obligated Group Representative shall provide and certify, at the expense of the Obligated Group Members, such information concerning the Obligated Group Members, their respective facilities, their respective finances and other topics as the Trustee reasonably may request.

Section 4.09. Annual Audit.

(a) Within 120 days after the end of each Fiscal Year, the Obligated Group shall cause consolidated and consolidating financial statements of the Obligated Group to be prepared with respect to such Fiscal Year in accordance with generally accepted accounting principles, consistently applied, which financial statements shall be audited by, and accompanied by a report of, an Independent Public Accountant. The Obligated Group Representative shall deliver to the Trustee upon completion thereof such financial statements and report and any other audited

financial statements prepared with respect to any Obligated Group Member, accompanied by an Officer's Certificate setting forth the Debt Service Coverage Ratio for such Fiscal Year (and the calculations supporting the determination thereof) and including a statement to the effect that the Obligated Group Members have complied with the provisions of Sections 4.01, 4.03, 4.11, 4.12 and 4.14 and stating whether any Event of Default or noncompliance with this Indenture existed as of the end of such Fiscal Year and whether all reports required to be made to the Trustee during the course of such Fiscal Year have been filed.

(b) If the statements referred to in paragraph (a) above do not include the results of operations of any Obligated Group Member, within 120 days of the end of each Fiscal Year, the Obligated Group shall cause to be prepared and filed with the Trustee financial statements of such Obligated Group Member with respect to such Fiscal Year prepared in accordance with generally accepted accounting principles, consistently applied, which financial statements shall be audited by, and accompanied by a report of, an Independent Public Accountant and unaudited financial statements of the Obligated Group with respect to such Fiscal Year prepared on a combined or consolidated basis in accordance with generally accepted accounting principles, consistently applied, which financial statements shall be accompanied by a Certificate of the chief financial officer of the Obligated Group Representative to the effect that such financial statements meet the requirements of this Section.

Section 4.10. Payment of Impositions and Maintenance of Tax Exemptions.

The Obligated Group Members shall pay, prior to the accrual of any interest or penalties thereon, all governmental impositions (including, without limitation, taxes of every kind and nature whatsoever) and assessments, if any, lawfully levied or assessed upon or with respect to any material portion of the Operating Assets, or upon any revenue therefrom, all ground rents, if any, on any material portion of the Operating Assets and all costs of operating, maintaining, repairing and replacing the Operating Assets. Nothing contained in this Section shall be construed to prevent any Obligated Group Member from contesting in good faith any governmental imposition or assessment and no Event of Default shall be deemed to have occurred during the pendency of such contest, *provided* that such contest shall not materially adversely affect the security for the Obligations or the ability of the Obligated Group Members to perform their obligations under this Indenture or the effective use or operation of any material portion of the Operating Assets.

Section 4.11. Merger, Consolidation and Acquisition or Transfer of Assets.

The Obligated Group Members shall not permit any Obligated Group Member to merge or consolidate with, transfer all or substantially all of its assets to or acquire all or substantially all of the assets of, any other person, unless each of the following conditions is satisfied:

(a) the surviving, resulting or transferee corporation (the "Surviving Corporation") is an Obligated Group Member or, as part of such transaction, becomes an Obligated Group Member and assumes in writing all of the obligations of the Obligated Group Members under this Indenture as provided in Section 3.02;

(b) the Revenue Test shall have been satisfied;

(c) at least 30 days prior to effecting such merger, consolidation, transfer or acquisition, there shall be filed with the Trustee (i) a Favorable Opinion of Bond Counsel addressed to the Trustee, and (ii) an Opinion of Counsel to the effect that each participant in such merger, consolidation, transfer or acquisition has obtained all necessary governmental, board and other consents and approvals for such consolidation, merger, transfer or acquisition; and

(d) immediately following such merger, consolidation, transfer or acquisition, no Event of Default or event that, with notice or lapse of time or both, would constitute an Event of Default, shall have occurred and be continuing and an Officer's Certificate to such effect shall have been delivered to the Trustee.

Notwithstanding the foregoing and without complying with the provisions thereof, any Obligated Group Member may merge or consolidate with, transfer assets to or acquire assets from any other Obligated Group Member.

Section 4.12. Additional Indebtedness.

The Obligated Group Members shall not incur or permit to exist any Indebtedness except as follows:

(a) the outstanding Obligations and any other outstanding Indebtedness issued in accordance with the Original Indenture and in existence on the Effective Date;

(b) Short-Term Indebtedness in an aggregate principal amount that shall not exceed 15% of the Total Operating Revenues of the Obligated Group for the most recent Fiscal Year for which audited financial statements have been prepared, *provided* that the Obligated Group shall have no such Indebtedness outstanding on any day unless, during the 12 calendar month period immediately preceding such day, there has been a period of at least 15 consecutive days during which all such Indebtedness outstanding has not exceeded five percent of the Total Operating Revenues of the Obligated Group for such 12-month period, unless there is delivered to the Authority and the Trustee an Officer's Certificate to the effect that such Indebtedness was incurred or continues to exist as a result of a temporary delay in the receipt by any Obligated Group Member of amounts due from third-party payors, governmental agencies or grantors and that the outstanding amount of such Indebtedness has been reduced to the minimum amount practicable under the circumstances;

(c) Long-Term Indebtedness issued to refinance or refund any outstanding Indebtedness of any Obligated Group Member ("Refunding Indebtedness"), if the Trustee shall have received an Officer's Certificate to the effect that, after giving effect to the proposed refinancing or refunding, Maximum Annual Debt Service on all Outstanding Long-Term Indebtedness of the Obligated Group will not be increased by more than ten percent;

(d) Non-Recourse Indebtedness;

(e) any other Long-Term Indebtedness, *provided* that the Revenue Test shall have been satisfied;

(f) any other Long-Term Indebtedness, *provided* that the aggregate principal amount of such Indebtedness, together with the aggregate principal amount of all other Indebtedness then outstanding under clause (b) above and this clause (f) shall not exceed 25% of the Total Operating Revenues of the Obligated Group for the most recent Fiscal Year for which audited financial statements have been prepared; and

(g) any Indebtedness under any Credit Facility Agreement pursuant to which a Credit Facility shall have been issued with respect to any other Indebtedness (herein referred to as "Credit Enhanced Debt"), *provided* that, if any amount shall have been realized under such Credit Facility for the purchase or payment of such Credit Enhanced Debt (i) amounts payable under such Credit Facility Agreement shall constitute Indebtedness in determining whether any additional Indebtedness may be incurred by the Obligated Group Members in accordance with this Section, and (ii) if such Credit Enhanced Debt shall not have been retired by the application of amounts realized under such Credit Facility, the aggregate principal amount of such Credit Enhanced Debt shall be excluded in the calculation of the Debt Service Requirements under this Indenture.

If the Obligated Group Members shall at any time deliver to the Trustee the evidence required by clause (e) of this Section with respect to any Indebtedness initially issued or incurred pursuant to clause (f) of this Section, such Indebtedness shall no longer be deemed to be outstanding under clause (f) of this Section.

At least ten Business Days prior to incurring any Indebtedness, the Obligated Group Representative shall give written notice to the Trustee regarding (i) the principal amount of the Indebtedness to be incurred, (ii) the date on which such Indebtedness is to be incurred and (iii) the provisions of this Section being relied upon to permit such Indebtedness to be incurred, and furnished to the Trustee.

Section 4.13. Liens and Encumbrances; Further Assurances.

Except as otherwise expressly permitted by this Indenture, the Obligated Group Members shall not permit any Obligated Group Member to create any lien or encumbrance or allow any lien or encumbrance to remain against any portion of the Operating Assets or the Unrestricted Revenues except Permitted Encumbrances.

The Obligated Group Members shall execute, acknowledge and deliver such further resolutions, assurances and other instruments as may be necessary or desirable for better assuring and confirming the rights of the Trustee and the holders of the Obligations.

Section 4.14. Disposition of Assets.

So long as no Event of Default shall have occurred and be continuing, the Obligated Group Members may demolish, remove, sell, lease, loan, assign, transfer or otherwise dispose of

any property, including (without limitation) cash, marketable securities, receivables or any property, structures, machinery or other improvements constituting a part of the Operating Assets, *provided that*:

- (a) such disposition is made to another Obligated Group Member; or
- (b) the aggregate fair market value of all property disposed of by the Obligated Group Members pursuant to this Section in such Fiscal Year does not exceed five percent of the aggregate Value of all of the assets of the Obligated Group as of the last day of the most recent Fiscal Year for which audited financial statements have been prepared, and Notice of the disposition thereof is provided to the Trustee prior to the disposition thereof; or
- (c) such Obligated Group Member shall receive in consideration of the disposition of such property an amount at least equal to the fair market value of such property immediately prior to such disposition; or
- (d) the Revenue Test shall have been satisfied.

Nothing contained in this Section shall be construed to restrict the right of the Obligated Group Members (i) to purchase or sell any property in the ordinary course of business, or (ii) to transfer cash, securities or other investment properties in connection with ordinary investment transactions.

The provisions of this Section shall be subject to the provisions of Section 4.07.

Section 4.15. Insurance.

The Obligated Group Members shall keep the Operating Assets adequately insured at all times and to maintain with respect to their facilities and operations insurance of such types, in such amounts and against such risks as are customarily maintained by persons in similar circumstances having facilities of a comparable type and size and offering comparable services as those of the Obligated Group Members to the extent such insurance is available on commercially reasonable terms.

If at any time the Obligated Group Members fail to procure or maintain any insurance required by this Section, upon five days' notice to the Obligated Group Representative, the Trustee may (but shall not be obligated to) procure and maintain such insurance at the expense of the Obligated Group Members, and the Obligated Group Members shall reimburse the Trustee for all amounts expended in connection therewith.

Section 4.16. Application of Proceeds of Condemnation and Insurance.

(a) Proceeds received under any title insurance policy relative to any of the Operating Assets ("title insurance proceeds"), the proceeds of all or any of the Operating Assets taken in the exercise of the power of eminent domain, condemnation or through the exercise of any right or any obligation on the part of any public authority to purchase the same, or as a result of any

agreement between any Obligated Group Member and any such public authority ("condemnation proceeds"), and any insurance proceeds payable in connection with the loss, damage or destruction of any of the Operating Assets ("casualty insurance proceeds" and, together with any title insurance proceeds and condemnation proceeds, the "Net Proceeds"), may be applied by the Obligated Group Members to any lawful corporate purpose, subject to the further provisions of this Section.

(b) If any Operating Assets shall be lost, damaged or destroyed and the amount of such loss, damage or destruction in any single Fiscal Year is in excess of ten percent of the Value of the Operating Assets of the Obligated Group as of the last day of the most recent Fiscal Year for which audited financial statements have been prepared, (i) the Obligated Group Members shall pay over to the Trustee or an escrow agent reasonably satisfactory upon receipt thereof all Net Proceeds received in such Fiscal Year, which amount shall be deposited in an escrow account (the "Escrow") for application in accordance with this Section, and (ii) the Obligated Group Members shall elect, promptly after such loss, damage or destruction, either to expend for repairs, restoration or replacement of the property lost, damaged or destroyed such sum as may be required therefor, or to pay such sum to the Trustee in accordance with the provisions of this Section.

(i) The Obligated Group Members may elect within six months of such loss, damage, destruction or taking to apply any Net Proceeds and expend such other amount as shall be necessary to repair or replace the lost, damaged, destroyed or taken property, if:

(A) the Obligated Group Members deliver to the Trustee a Certificate of an architect reasonably satisfactory to the Trustee setting forth an estimate of the cost of repairing or replacing the lost, damaged, destroyed or taken property to be repaired or replaced and the time required therefor; and

(B) the Obligated Group Members deliver to the Trustee (1) any amount required to make the amount on deposit in the Escrow Account equal to the amount set forth in the certificate of the architect provided in accordance with clause (A) above or other evidence reasonably satisfactory to the Trustee that such amount will be so available for deposit in the Escrow Account (which may include, without limitation, amounts available to be drawn under a letter of credit, guaranty or other commitments reasonably satisfactory to the Trustee) will be sufficient to pay the costs of repairing or replacing the lost, damaged, destroyed or taken property to be repaired or replaced and (2) an Officer's Certificate demonstrating that the Debt Service Coverage Ratio (taking into account Net Proceeds available to the Obligated Group) for each Fiscal Year during the period of restoration is projected to be not less than 1.10; *provided* that, if the Obligated Group Members shall determine to repair or replace the lost, damaged, destroyed or taken property but not to restore the Operating Assets to their condition immediately prior to such repair or replacement, then the Obligated Group Members shall satisfy the Revenue Test after giving effect to such application of such proceeds.

(ii) The Obligated Group Members may elect within six months of such loss, damage, destruction or taking to apply any Net Proceeds and other amounts available to the Obligated Group Members to the redemption of Outstanding Obligations if:

(A) the Obligated Group Members either (1) satisfy the Revenue Test or (2) deliver to the Trustee a Statement of a Management Consultant to the effect that (after giving effect to the redemption of such Obligations) the Debt Service Coverage Ratio for each Fiscal Year during the period ending two full Fiscal Years after the date as of which such Obligations are deemed to have been paid is projected to be not less than 1.10; or

(B) the Obligated Group Members pay to the Trustee for deposit in the Escrow an amount of money that, together with the Net Proceeds and any other moneys held under the Related Bond Indentures or otherwise for any Obligations, shall be sufficient to provide for the redemption of all Outstanding Obligations.

(iii) The Obligated Group Members may elect to repair or replace a portion of the lost, damaged, destroyed or taken property and to redeem a portion of the Outstanding Obligations so long as the Obligated Group Members shall satisfy the requirements of paragraph (i) above.

(iv) The Obligated Group Members shall make an election in accordance with paragraph (i), (ii) or (iii) above within six months of such loss, damage, destruction or taking. If the Obligated Group Members are not able to satisfy the requirements for any such election, the Obligated Group Members, at their own expense, shall employ a Management Consultant, within six months of such loss, damage, destruction or taking, to submit a Report including recommendations as to the use of the Net Proceeds and other available amounts that should result in the maximum feasible Debt Service Coverage Ratio. Such report shall include a financial projection for a period extending at least through the second full Fiscal Year after the date of completion of any repairs or replacements recommended by such Management Consultant. The Obligated Group Members shall apply the Net Proceeds in accordance with the reasonable recommendations of such Management Consultant.

(c) As used in this Section, the terms "repair" and "replace" include (without limitation) the construction or acquisition of replacement or substitute property, structures, machinery, equipment or other improvements which need not have the same function as the property lost, damaged, destroyed or taken.

(d) The provisions of this Section are subject to the rights of the holders of any Permitted Encumbrances.

Section 4.17 Trustee May Enter and Examine the Facilities.

The Trustee shall have the right, upon reasonable notice to the Obligated Group Representative, to enter upon, inspect and examine the facilities and properties of the Obligated Group at any time during regular business hours in such manner as not to interfere with the normal operations of any Obligated Group Member and not to disturb patients and staff so far as practicable. Representatives of the Obligated Group Members may accompany the employees, members or representatives of the Trustee on the premises.

Section 4.18. Indenture Constitutes Security Agreement; Financing Statements.

(a) This Indenture shall constitute a security agreement for the purposes of the Uniform Commercial Code as in effect in each jurisdiction under the laws of which any Obligated Group Member is organized. The Obligated Group Members hereby represent that no Obligated Group Member has heretofore granted any lien, encumbrance or security interest in the Trust Estate except liens, encumbrances and security interests permitted by the Original Indenture.

(b) The Obligated Group Members covenant that, in order to perfect the security interest in the Trust Estate granted to the Trustee hereby to the extent possible by such filing, appropriate financing statements, naming the Trustee as assignee of the Trust Estate, will be filed in the appropriate offices as required by applicable law.

ARTICLE V

CONCERNING THE TRUSTEE

Section 5.01. Trustee Entitled to Indemnity.

The Trustee shall be under no obligation to institute any suit, or to undertake any proceeding under this Indenture, or to enter any appearance or in any way defend in any suit in which it may be made defendant, or to take any steps in the execution of the trusts hereby created or in the enforcement of any rights and powers hereunder, until it shall be indemnified to its satisfaction against any and all costs and expenses, outlays and counsel fees and other reasonable disbursements, and against all liability except as a consequence of its own negligence or willful misconduct. Nevertheless, the Trustee may begin suit, or appear in and defend suit, or do anything else in its judgment deemed proper to be done by it as the Trustee, without indemnity, and in such case the Obligated Group Members shall reimburse the Trustee for all costs and expenses, outlays and counsel fees and other reasonable disbursements properly incurred in connection therewith. If the Obligated Group Members shall fail to make such reimbursement, the Trustee shall be entitled to a preference therefor over any Obligations Outstanding hereunder.

Section 5.02. Responsibilities of Trustee.

The recitals contained in this Indenture and in the Obligations shall be taken as the statements of the Obligated Group Members, and the Trustee assumes no responsibility for the correctness of the same. The Trustee makes no representations as to the validity or sufficiency of this Indenture or the Obligations or with respect to the security afforded by this Indenture, and the Trustee shall incur no liability with respect thereto. Except as otherwise expressly provided in this Indenture, the Trustee shall have no responsibility or duty with respect to: (i) the issuance of the Obligations for value; (ii) the application of the proceeds thereof (except to the extent that any such proceeds may be received by it in its capacity as Trustee); or (iii) the application of any moneys paid to the Obligated Group Members or others in accordance with this Indenture except as to the application of any moneys paid to it in its capacity as Trustee.

Prior to the occurrence of an Event of Default and after the curing or waiving of an Event of Default, the duties and obligations of the Trustee shall be determined by the express provisions of this Indenture, and the Trustee shall not be liable except for the performance of such duties and obligations as are specifically set forth in this Indenture. In case such an Event of Default has occurred (which has not been cured or waived) the Trustee shall exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in their exercise as a prudent man would exercise or use under the circumstances.

The Trustee shall not be liable for any action taken or omitted by it in the performance of its duties under this Indenture except for its own gross negligence or willful misconduct. The Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the owners of not less than a majority in aggregate principal amount of the Obligations then Outstanding relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee under this Indenture.

Section 5.03. Property Held in Trust.

Any moneys and securities held by the Trustee at any time pursuant to the terms of this Indenture shall be held by the Trustee in trust for the purposes and under the terms and conditions of this Indenture.

Section 5.04. Trustee Protected in Relying on Certain Documents.

The Trustee may rely upon any resolution, order, notice, request, consent, waiver, certificate, statement, affidavit, bond or other document provided to the Trustee in accordance with the terms of this Indenture that it shall in good faith reasonably believe to be genuine and to have been adopted or signed by the proper board or person or to have been prepared and furnished pursuant to any of the provisions of this Indenture, or upon the written opinion of any counsel, architect, engineer, insurance consultant, management consultant or accountant believed by the Trustee to be qualified in relation to the subject matter, and the Trustee shall be under no duty to make any investigation or inquiry into any statements contained or matters referred to in

any such instrument. The Trustee may consult with counsel, who may or may not be Bond Counsel or counsel to any or all of the Obligated Group Members, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it in good faith and in accordance therewith.

Whenever the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action under this Indenture, such matter may be deemed to be conclusively proved and established by an Officer's Certificate, unless other evidence in respect thereof be hereby specifically prescribed. Such certificate shall be full warrant for any action taken or suffered in good faith under the provisions hereof, but in its discretion the Trustee may in lieu thereof accept other evidence of such fact or matter or may require such further or additional evidence as it may deem reasonable. Except as otherwise expressly provided herein, any request, order, notice or other direction required or permitted to be furnished pursuant to any provision hereof by any Obligated Group Member or the Obligated Group Representative to the Trustee shall be sufficiently executed if executed in the name of the Obligated Group Representative by an authorized officer thereof.

Section 5.05. Compensation.

Unless otherwise provided by contract with the Trustee, the Obligated Group Members shall pay to the Trustee from time to time reasonable compensation for all services rendered by it hereunder, together with all its reasonable expenses, charges and other disbursements and those of its counsel, agents and employees, incurred in and about the administration and execution of the trusts hereby created and the exercise of its powers and the performance of its duties hereunder, and the Trustee shall have a lien therefor on any and all funds at any time held by it hereunder prior to any Outstanding Obligations. The Obligated Group Members shall indemnify and save the Trustee harmless against any expenses and liabilities that the Trustee may incur in the exercise and performance of its powers and duties hereunder that are not due to its gross negligence or willful misconduct. None of the provisions contained in this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur financial liability in the performance of any of its duties or in the exercise of any of its rights or powers. If the Obligated Group Members shall fail to make any payment required by this Section, the Trustee shall be entitled to a preference therefor over any Obligations Outstanding hereunder.

Section 5.06. Permitted Acts.

The Trustee and its directors, officers, employees or agents may become the owner of or may in good faith buy, sell, own, hold and deal in Obligations and may join in any action that any holder of Obligations may be entitled to take as fully and with the same rights as if it were not the Trustee. The Trustee may act as depository, and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, the Obligated Group Members or any committee formed to protect the rights of holders of Obligations or to effect or aid in any reorganization growing out of the enforcement of the Obligations or this Indenture, whether or not such committee shall represent the holders of a majority of the Obligations.

Section 5.07. Resignation of Trustee.

The Trustee may at any time resign and be discharged of its duties and obligations hereunder by giving not fewer than 30 days' written notice, specifying the date when such resignation shall take effect, to the Obligated Group Representative and each holder of any outstanding Obligations. Such resignation shall take effect upon the date specified in such notice or prior thereto in the event a successor shall have been previously appointed by the Obligated Group Representative or the holders of the Obligations as provided in Section 5.09, in which event such resignation shall take effect immediately on the appointment of such successor and the acceptance of such appointment by such successor.

Section 5.08. Removal of Trustee.

The Trustee may be removed at any time by (i) the Obligated Group Representative, so long as no Event of Default shall have occurred and be continuing or (ii) the holders of a majority of the Obligations by an instrument or concurrent instruments in writing signed and acknowledged by such holders or by their attorneys-in-fact, duly authorized and delivered to the Obligated Group Representative. Facsimile copies of each such instrument shall be delivered by the Obligated Group Representative to the Trustee and any successor thereof. The Trustee may also be removed at any time for any breach of trust or for acting or proceeding in violation of, or for failing to act or proceed in accordance with, any provision of this Indenture with respect to the duties and obligations of the Trustee by any court of competent jurisdiction upon the application of the Obligated Group Representative or of the holders of not less than 25% of the Obligations.

Section 5.09. Successor Trustee.

If the Trustee shall resign, be removed, be dissolved or become incapable of acting, or shall be adjudged a bankrupt or insolvent, or if a receiver, liquidator or conservator of the Trustee or of its property shall be appointed, or if any public officer shall take charge or control of the Trustee or of its property or affairs, the position of the Trustee hereunder shall thereupon become vacant.

If the position of Trustee shall become vacant for any of the foregoing reasons or for any other reason, a successor Trustee shall be appointed by the Obligated Group Representative, *provided* that if an Event of Default shall have occurred and be continuing, the holders of a majority of the Obligations shall have the right to appoint any successor Trustee by an instrument or concurrent instruments in writing signed and acknowledged by such holders or their attorneys-in-fact, duly authorized and delivered to such successor Trustee, with notification thereof being given to the predecessor Trustee and the Obligated Group Representative. Any appointment of a successor Trustee made by the Obligated Group Representative immediately and without further act shall be superseded and revoked by an appointment subsequently made by the holders of the Obligations.

The Trustee so appointed shall mail notice of any such appointment to each holder of any outstanding Obligations within 30 days after such appointment.

If in a proper case no appointment of a successor Trustee shall be made within 30 days after the giving by any Trustee of any written notice of resignation in accordance with Section 5.07 or after the occurrence of any other event requiring or authorizing such appointment, the Trustee or any holder of Obligations may apply to any court of competent jurisdiction for the appointment of such a successor, and the court may thereupon, after such notice, if any, as the court may deem proper, appoint such successor.

Any successor Trustee appointed under the provisions of this Section shall be a commercial bank or trust company or national banking association (i) having a capital and surplus aggregating at least \$50,000,000, if there be such a commercial bank or trust company or national banking association willing and able to accept the appointment on reasonable and customary terms, and (ii) authorized by law to perform all the duties of the Trustee required by this Indenture.

Section 5.10. Transfer of Rights and Property to Successor Trustee.

Any successor Trustee appointed under the provisions of Section 5.09 shall execute, acknowledge and deliver to its predecessor and the Obligated Group Representative an instrument in writing accepting such appointment, and thereupon such successor, without any further act, deed or conveyance, shall become fully vested with all moneys, estates, properties, rights, immunities, powers, duties, obligations and trusts of its predecessor hereunder, with like effect as if originally appointed as Trustee. However, the Trustee then ceasing to act shall nevertheless, on request of the Obligated Group Representative or of such successor, execute, acknowledge and deliver such instruments of conveyance and further assurance and do such other things as may reasonably be required for more fully and certainly vesting and confirming in such successor all the rights, immunities, powers and trusts of such Trustee and all the right, title and interest of such Trustee in and to any property held by it hereunder, and shall pay over, assign and deliver to such successor any moneys or other properties subject to the trusts and conditions herein set forth. Should any deed, conveyance or instrument in writing from any Obligated Group Member or the Obligated Group Representative be required by such successor for more fully and certainly vesting in and confirming to it any such moneys, estates, properties, rights, powers, duties or obligations, any and all such deeds, conveyances and instruments in writing, on request and so far as may be authorized by law, shall be executed, acknowledged and delivered by such Obligated Group Member or the Obligated Group Representative (as the case may be).

Section 5.11. Merger, Conversion or Consolidation of Trustee.

Any company into which the Trustee may be merged 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 Trustee may sell or transfer all or substantially all of its corporate trust business shall be the successor to such Trustee hereunder, without any further

act, deed or conveyance, *provided* that such company shall be a commercial bank or trust company or national banking association qualified to be a successor to such Trustee under the provisions of Section 5.09.

Section 5.12. Notice of Events of Default.

The Trustee shall not be required to take notice, or be deemed to have notice, of any default or Event of Default under this Indenture, other than an Event of Default under clause (a) of Section 6.01, unless an officer, agent or employee responsible for matters relating to the Obligations shall have actual knowledge of such default or Event of Default, or the Trustee shall have been specifically notified in writing of such default or Event of Default by the Obligated Group Representative or not less than 25% of the Holders.

Section 5.13. Construction of Indenture.

The Trustee may construe any of the provisions of this Indenture insofar as the same may appear to be ambiguous or inconsistent with any other provision hereof, and any construction of any such provisions hereof by the Trustee in good faith shall be binding upon the Holders and the Obligated Group Members.

Section 5.14. Co-Trustees.

It is the purpose hereof that there shall be no violation of any law of any jurisdiction denying or restricting the right of banking corporations or associations to transact business as trustee in such jurisdiction. It is recognized that in case of litigation hereunder and in particular in case of the enforcement of this Indenture upon the occurrence of an Event of Default, it may be necessary that the Trustee and the Obligated Group Representative enter into a Supplemental Indenture to appoint an additional individual or institution as a separate Trustee or Co-Trustee. The following provisions of this Section are adopted to these ends.

Upon the incapacity or lack of authority of the Trustee, by reason of any present or future law of any jurisdiction, to exercise any of the rights, powers and trusts herein granted to the Trustee or to hold a security interest in the Trust Estate or to take any other action which may be necessary or desirable in connection therewith, each and every remedy, power, right, claim, demand, cause of action, immunity, estate, title, interest and lien expressed or intended to be exercised by or vested in or conveyed to the Trustee with respect thereto shall be exercisable by and vested in a separate Trustee or Co-Trustee appointed by the Trustee but only to the extent necessary to enable the separate Trustee or Co-Trustee to exercise such rights, powers and trusts, and every agreement and obligation necessary to the exercise thereof by such separate Trustee or Co-Trustee shall run to and be enforceable by either of them.

Should any deed, conveyance or instrument in writing from the Obligated Group Representative be required by the separate Trustee or Co-Trustee so appointed by the Trustee in order to more fully and certainly vest in and confirm to him or it such properties, rights, powers, trusts, duties and obligations, any and all such deeds, conveyances and instruments shall, on

request, be executed, acknowledged and delivered by the Obligated Group Representative. In case any separate Trustee or Co-Trustee, or a successor to either, shall die, become incapable of acting, resign or be removed, all the estates, properties, rights, powers, trusts, duties and obligations of such separate Trustee or Co-Trustee, so far as permitted by law, shall vest in and be exercised by the Trustee until the appointment of a new Trustee or successor to such separate Trustee or Co-Trustee.

Section 5.15. Perfection of Liens.

Each Obligated Group Member shall cause any security interest, mortgage or other security device granted to the Trustee by a Member to be perfected to the extent possible under applicable law, including, as applicable, the filing of financing statements which comply with the Uniform Commercial Code, as from time to time in effect (the "UCC") and/or the recording of mortgages. Each Obligated Group Member agrees that, at its expense, it will furnish to the Master Trustee all necessary continuation statements, so as to enable the Master Trustee to cause such continuation statements to be filed within the time prescribed in order to continue such security interests and hereby authorizes the Trustee to file such continuation statements as are necessary to continue the effectiveness of the security interests granted pursuant to this Indenture.

Section 5.16. Trustee to File Continuation Statements.

The Trustee shall file such continuation statements as may be required by the UCC in such jurisdictions in which the Obligated Group Members shall be organized in order to continue perfection of the security interest of the Trustee in such property as may have been granted to the Trustee pursuant to this Indenture in the time, place and manner required by the UCC (to the extent such security interest may be perfected by such filing).

ARTICLE VI

EVENTS OF DEFAULT AND REMEDIES

Section 6.01. Events of Default.

Each of the following events is hereby declared to constitute an event of default hereunder (an "Event of Default"):

(a) payment of any amount payable under any Obligation shall not be made when the same shall become due and payable, either at maturity or by proceedings for redemption or acceleration or otherwise, in accordance with the terms thereof;

(b) failure by any Obligated Group Member to perform, observe or comply with any other of the terms, covenants, conditions or provisions contained in this Indenture, which failure shall continue for a period of 30 days after written notice, specifying such failure and requesting that it be remedied, shall have been

given to the Obligated Group Representative by the Trustee or the holders of not less than 25% of the Obligations Outstanding; *provided*, however, that if any such Obligated Group Member shall proceed to take any curative action that, if begun and prosecuted with due diligence, cannot be completed within a period of 30 days, then such period shall be increased to a period not in excess of 180 days after receipt of such notice to the extent as shall be necessary to enable such Obligated Group Member to complete such curative action through the exercise of due diligence;

(c) default under any Related Loan Document which is not cured within any applicable grace period, which default permits the acceleration of the Obligation issued in connection therewith;

(d) if any Material Member, other than any Material Member who could withdraw from the Obligated Group pursuant to Section 3.03, shall become insolvent or the subject of any insolvency proceeding or shall file a petition or other pleading seeking an "order for relief" within the meaning of the United States Bankruptcy Code or shall file any petition or other pleading seeking any reorganization, composition, readjustment, liquidation or similar relief for itself under any present or future law or regulation, or shall seek or consent to or acquiesce in the appointment of any trustee, receiver or liquidator of such Material Member, or of substantially all of the assets of such Material Member, or shall make a general assignment for the benefit of creditors, or shall admit in writing its inability to pay its debts generally as they become due;

(e) if a petition or other pleading shall be filed against any Material Member, other than any Material Member who could withdraw from the Obligated Group pursuant to Section 3.03, seeking an "order for relief" within the meaning of the United States Bankruptcy Code or any reorganization, composition, readjustment, liquidation or similar relief under any present or future law or regulation and shall remain undismissed or unstayed for an aggregate period of 90 days (whether or not consecutive), or if, by an order or decree of a court of competent jurisdiction, any such Material Member shall become the subject of an "order for relief" within the meaning of the United States Bankruptcy Code or relief shall be granted under or pursuant to any such petition or other pleading, and such order or decree continues unvacated or unstayed, on appeal or otherwise, and in effect for a period of 90 days; or if, by order or decree of such court, there shall be appointed, without the consent or acquiescence of any such Material Member, a trustee in bankruptcy or reorganization or a receiver or liquidator of such Material Member or of all or any substantial part of the property of such Material Member and such order or decree continues unvacated or unstayed, on appeal or otherwise, and in effect for a period of 90 days; or

(f) default in the payment of principal of or interest on any outstanding Indebtedness of any Obligated Group Member in an amount exceeding one-half of one percent (1/2%) of the Total Operating Revenues of the Obligated Group for

the most recent Fiscal Year for which audited financial statements have been prepared, or default under any indenture, agreement or other similar instrument under which any such Indebtedness may be issued, which default permits the acceleration of the maturity of such Indebtedness.

The provisions of paragraph (b) of this Section are subject to the following limitations: If by reason of acts of God; strikes, lockouts or other industrial disturbances; acts of public enemies; orders of any kind of the government of the United States of America or of any state, or any department, agency, political subdivision or official thereof, or any civil or military authority; insurrections; riots; epidemics; landslides; lightning; earthquakes; fires; hurricanes; storms; floods; washouts; droughts; arrests; restraint of government and people; civil disturbances; explosions; breakage or accident to machinery; partial or entire failure of utilities; or any cause or event not reasonably within the control of any Obligated Group Member, the Obligated Group Members are unable in whole or in part to carry out their agreements referred to in paragraph (b) of this Section, the Obligated Group Members shall not be deemed in default during the continuance of such inability. The Obligated Group Members shall use their best efforts to remedy with all reasonable dispatch the cause or causes preventing them from carrying out their agreements; *provided*, however, that the settlement of strikes, lockouts and other industrial disturbances shall be entirely within the discretion of the Obligated Group Members, and the Obligated Group Members shall not be required to make settlement of strikes, lockouts and other industrial disturbances by acceding to the demands of the opposing party when such course is, in the judgment of the Obligated Group Members, unfavorable to the Obligated Group Members. Any failure of any Obligated Group Member to perform its obligations under Section 4.01 shall constitute an Event of Default regardless of the reason for such failure to perform.

Section 6.02. Acceleration of Maturity.

Upon the happening and continuance of any Event of Default, then and in every such case the Trustee may, and upon the written request of the Holders of not less than 25% of the Outstanding Obligations shall, by a notice in writing to the Obligated Group Representative, declare the principal of all of the Outstanding Obligations to be due and payable. Notwithstanding the foregoing, the Trustee may not declare the principal of any Obligation to be due and payable without the written direction of any person whose direction is required as a condition to such declaration under the terms of the Original Indenture or any Supplemental Indenture authorizing the issuance of such Obligation.

Upon the giving of notice of such declaration, such principal shall become and be immediately due and payable, anything in the Obligations or in this Indenture to the contrary notwithstanding. At any time after the principal of the Obligations shall have been so declared to be due and payable, and before the entry of final judgment or decree in any suit, action or proceeding instituted on account of such default, or before the completion of the enforcement of any other remedy under this Indenture, the Trustee may (but in the event that such declaration has been made upon the request of the Holders of the Obligations, only with the written consent of the holders of not less than 25% of the Obligations), by written notice to the Obligated Group Representative, annul such declaration and its consequences if: (i) there shall have been

deposited with the Trustee moneys sufficient to pay all amounts payable under the outstanding Obligations that have not been paid (except the interest accrued on such Obligations since the last interest payment date and the principal of any Obligations due only as a result of such declaration); (ii) sufficient moneys shall have been deposited with Trustee and shall be available to pay the charges, compensation, expenses, disbursements, advances and liabilities of the Trustee; and (iii) every other default in the observance or performance of any covenant, condition or agreement contained in the Obligations or in this Indenture of which the Trustee has actual knowledge shall have been remedied to the satisfaction of the Trustee. No such annulment shall extend to or affect any subsequent default or impair any right consequent thereon.

Nothing herein shall preclude the holder of any Obligation from accelerating the due date for the payment thereof in accordance with the terms of such Obligation or any Related Bond Indenture or Related Loan Document entered into in connection with the issuance thereof.

Section 6.03. Enforcement.

Upon the happening and continuance of any Event of Default, then and in every such case the Trustee may proceed, and upon the written request of the Holders of not less than 25% of the Obligations shall proceed, to protect and enforce its rights and the rights of the holders of the Obligations under this Indenture by such suits, actions or special proceedings in equity or at law, either for the specific performance of any covenant contained herein, or in aid or execution of any power herein granted, or for the enforcement of any proper legal or equitable remedy as the Trustee shall deem most effectual to protect and enforce such rights.

In the enforcement of any remedy under this Indenture, the Trustee shall be entitled to sue for, enforce payment of and receive any and all amounts then or during any default becoming, and at any time remaining, due from the Obligated Group Members for principal of or interest on the outstanding Obligations, or otherwise under any of the provisions of this Indenture or of any Obligations, with interest on overdue payments of principal at the rate or rates of interest specified in the Obligations, together with any and all costs and expenses of collection and of all proceedings hereunder and under the Obligations, without prejudice to any other right or remedy of the Trustee or of the holders of the Obligations, and to recover and enforce judgment or decree against any Obligated Group Member for any portion of such amounts remaining unpaid and to collect in any manner provided by law the moneys adjudged or decreed to be payable.

Section 6.04. Receiver.

If an Event of Default shall occur and be continuing, the Trustee shall be entitled as a matter of right, and without regard to the adequacy of the security, to the immediate appointment of a receiver of the Operating Assets and of the revenues and profits thereof, with all such other powers as the court making such appointment shall confer. The Trustee shall give written notice to the Obligated Group Representative of its intent to exercise such right, but failure to give such notice shall not affect the validity of any exercise of such right.

The Obligated Group Members shall deliver to any receiver so appointed all original records, books, bank accounts, leases, agreements, security deposits of the lessees and all other materials relating to the operation of the Operating Assets.

Section 6.05. Application of Moneys.

If at any time there shall have occurred and be continuing an Event of Default, after payment of all amounts owing to the Trustee under this Indenture, any moneys available to the Trustee through exercise of the remedies provided in this Article or otherwise shall be applied as follows:

(a) unless the principal of all Outstanding Obligations shall have become or shall have been declared due and payable, all such moneys shall be applied:

FIRST: to the payment to the persons entitled thereto of all installments of interest then due on the Obligations Outstanding, in the order in which such installments became due and payable and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment of such installment, ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or preference, except as to any difference in the respective rates of interest specified in such Obligations;

SECOND: to the payment to the persons entitled thereto of the unpaid principal of any Outstanding Obligations that shall have become due and payable, in the order of their due dates, with interest upon the principal amount of such Obligations from the respective dates upon which such principal shall have become due and payable and, if the amount available shall not be sufficient to pay in full the principal of such Obligations due and payable on any particular date, together with such interest, then first to the payment of such interest, ratably, according to the amount of interest due on such date, and then to the payment of such principal, ratably, according to the amount of principal due on such date, to the persons entitled thereto, without any discrimination or preference, except as to any difference in the respective rates of interest specified in such Obligations; and

THIRD: to the payment of the interest on and the principal of the Obligations Outstanding as the same become due and payable; and

(b) if the principal of all Outstanding Obligations shall have become due by their terms or the principal of all Outstanding Obligations subject to acceleration shall have become due and payable by a declaration of acceleration, all such moneys shall be applied to the payment of the principal and interest then due and unpaid upon such Obligations, without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Obligation over any other Obligation, ratably, according to the amounts due respectively for principal and interest, to the persons entitled thereto, without any discrimination or preference except as to any difference in the respective rates of interest specified in such Obligations.

Notwithstanding the foregoing, moneys received by the Trustee under any Credit Facility securing any Obligation or Related Bond shall be applied only to the payment of such Obligation or Related Bond (as the case may be) and any amounts received by the Trustee under Section 16A of Article 43C of the Annotated Code of Maryland, as amended, for the payment of particular Obligations shall be applied only to the payment of such Obligations.

Whenever moneys are to be applied by the Trustee pursuant to the provisions of this Section, such moneys shall be applied by the Trustee at such times, and from time to time, as the Trustee in its sole discretion shall determine, having due regard to the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future. The setting aside of such moneys in trust for the benefit of all holders of outstanding Obligations shall constitute proper application by the Trustee, and the Trustee shall incur no liability whatsoever to any Obligated Group Member, to any holder of any Obligations or to any other person for any delay in applying any such moneys, so long as the Trustee acts with reasonable diligence, having due regard to the circumstances, and ultimately applies the same in accordance with such provisions of this Indenture as may be applicable at the time of application by the Trustee. Whenever the Trustee shall exercise such discretion in applying such moneys, it shall fix the date upon which such application is to be made, and upon such date interest on the amounts of principal of the Obligations to be paid on such date shall cease to accrue. The Trustee shall give such notice as it may deem appropriate of the fixing of any such date, provided that the provisions of this paragraph shall be subject in all respects to the provisions of the Obligations with respect to the payment of defaulted interest on the Obligations. The Trustee shall not be required to make payment to the holder of any Obligation unless such Obligation shall be presented to the Trustee for appropriate endorsement.

Section 6.06. Discontinuance of Proceedings.

In case any proceedings taken by the Trustee or the holders of the Obligations on account of any default with respect to the Obligations shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Trustee or such holders, then and in every such case the Obligated Group Members, the Trustee and the Holders of the Obligations shall be restored to their former positions and rights hereunder, respectively, and all rights, remedies, powers and duties of the Trustee shall continue as though no such proceeding had been taken.

Section 6.07. Majority of Holders May Control Proceedings.

Anything in this Indenture to the contrary notwithstanding, the holders of a majority of the Obligations shall have the right, by an instrument in writing executed and delivered to the Trustee, to direct the method and place of conducting all remedial proceedings to be taken by the Trustee under this Indenture, *provided* that such direction shall not be otherwise than in accordance with law and the provisions of this Indenture, and that the Trustee shall have the right to decline to follow any such direction which in the opinion of the Trustee would be unjustly prejudicial to holders of Obligations not parties to such direction.

Section 6.08. Restrictions upon Action by Individual Holders.

No Holder of any Obligations shall have any right to institute any suit, action or proceeding in equity or at law for the execution of any trust hereunder or for any other remedy hereunder unless (i) such holder previously shall have given to the Trustee written notice of the Event of Default on account of which such suit, action or proceeding is to be instituted, (ii) the Holders of not less than 25% of the Obligations shall have made Request to the Trustee after the right to exercise such powers or right of action, as the case may be, shall have accrued, and shall have afforded the Trustee a reasonable opportunity either to proceed to exercise the powers granted by this Indenture or to institute such action, suit or proceeding in its or their name, and (iii) there shall have been offered to the Trustee reasonable security and indemnity against the costs, expenses and liabilities to be incurred therein or thereby, and the Trustee shall have refused or neglected to comply with such request within a reasonable time. Such notification, request and offer of indemnity are hereby declared in every such case, at the option of the Trustee, to be conditions precedent to the execution of the powers and trusts of this Indenture or to any other remedy hereunder, provided that, notwithstanding the foregoing provisions of this Section and without complying therewith, the holders of not less than 25% of the Obligations may institute any such suit, action or proceeding in their own names for the benefit of all holders of Obligations.

It is understood and intended that, except as otherwise provided above, no one or more Holders of the Obligations shall have any right in any manner whatever by his or their action to affect, disturb or prejudice this Indenture or to enforce any right hereunder except in the manner herein provided, and that all proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided and for the benefit of all holders of outstanding Obligations hereunder and that any individual right of action or other right given by law to one or more of such holders is restricted by this Indenture to the rights and remedies herein provided.

Nothing herein shall preclude the holder of any Obligation from enforcing any right or remedy under the Related Bond Indenture or Related Loan Document in accordance with the terms thereof.

Section 6.09. Actions by Trustee.

All rights of action under this Indenture or under any of the Obligations may be enforced by the Trustee without the possession of any of such Obligations or the production thereof at the trial or other proceeding relative thereto, and any such suit, action or proceeding instituted by the Trustee shall be brought in its name for the benefit of all holders of the Obligations, all subject to the provisions of this Indenture.

Section 6.10. No Remedy Exclusive.

No remedy herein conferred upon or reserved to the Trustee or to the holders of the Obligations is intended to be exclusive of any other remedy, and each and every such remedy

shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute.

Section 6.11. No Delay or Omission Construed as a Waiver; Waiver of Default.

No delay or omission of the Trustee or of any holder of any Obligation to exercise any right or power accruing upon any default shall impair any such right or power, nor shall any such delay or omission be construed to be a waiver of any such default or an acquiescence therein. Every power and remedy given by this Article to the Trustee and the Holders of the Obligations, respectively, may be exercised from time to time and as often as may be deemed expedient.

The Trustee may, and upon the Request of the holders of not less than 25% of the Obligations shall, waive any default with respect to the Obligations which in its opinion shall have been remedied before the entry of final judgment or decree in any suit, action or proceeding instituted by it under the provisions of this Indenture or before the completion of the enforcement of any other remedy under this Indenture, but no such waiver shall extend to or affect any other existing or any subsequent default or impair any rights or remedies consequent thereon.

Section 6.12. Notice of Default.

The Trustee shall mail to the holders of the outstanding Obligations written notice of the occurrence of any Event of Default of which the Trustee shall have knowledge (within the meaning of Section 5.12) within 30 days after such Event of Default shall have occurred and be known to it (within the meaning of Section 5.12). The Trustee shall not be subject to any liability to any Holder of the Obligations by reason of its failure to mail any notice required by this Section.

ARTICLE VII

MODIFICATION OR AMENDMENT OF INDENTURE

Section 7.01. Modification or Amendment of Indenture Without Consent.

Without notice to or the consent of the holders of the Obligations, the Obligated Group Representative and the Trustee may enter into Supplemental Indentures at any time or from time to time supplementing, modifying or amending this Indenture or any Supplemental Indenture for one or more of the following purposes:

(a) to grant to or confer upon the Trustee for the benefit of the Holders of the Obligations any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the Trustee for the benefit of such Holders;

(b) to add to the covenants and agreements of the Obligated Group Members contained in this Indenture, other covenants and agreements thereafter to be observed relative to the acquisition, construction, equipping, operation,

maintenance, development or administration of the Operating Assets, or relative to the application, custody, use or disposition of the proceeds of any Obligations;

(c) to surrender any right, power or privilege reserved to or conferred upon the Obligated Group Members by this Indenture;

(d) to cure any ambiguity or to cure or correct any defect or inconsistent provisions contained in this Indenture or to make such provisions in regard to matters or questions arising under this Indenture as may be necessary or desirable and not contrary to or inconsistent with this Indenture;

(e) to authorize the issuance of Obligations;

(f) to permit the qualification of this Indenture or any Supplemental Indenture under any federal statute now or hereafter in effect or under any state blue sky law and, in connection therewith, to add to this Indenture or any Supplemental Indenture such other terms, conditions and provisions as may be permitted or required by such federal statute or state blue sky law;

(g) to obtain or to maintain any ratings on any Obligations or any Related Bonds from any nationally recognized securities rating agency;

(h) upon compliance with the provisions of Section 3.02, to provide for the admission of any person to the Obligated Group;

(i) to preserve the excludability from gross income for federal income tax purposes of the interest paid on any Tax-Exempt Bonds theretofore issued; or

(j) to make any other change in this Indenture which the Trustee determines shall not prejudice in any material respect the rights of the Holders of the Obligations Outstanding at the date as of which such change shall become effective *provided*, that such change shall not (A) effect a change in the times, amounts or currency of payment of the principal of, premium, if any, or interest on any Obligations or a reduction in the principal amount or redemption price of any Obligation or the rate of interest thereon, or (B)(1) reduce the aforesaid percentage of Obligations, the owners of which are required to consent to any such Supplemental Indenture or (2) permit the preference or priority of any Obligation or Obligations over any other Obligation or Obligations. The Master Trustee shall conclude that a change does not materially adversely affect the interest of the Owners of the Obligations if the Obligated Group Representative provides the Master Trustee with notice that the rating on any Obligations or Related Bonds shall not be adversely affected, as evidenced by a letter from each rating agency then rating the Obligations or Related Bonds *provided*, that such rating confirmation shall not be construed to permit any change which would result in either (A) or (B) above.

Section 7.02. Supplemental Indentures Requiring Consent of Holders.

In addition to Supplemental Indentures permitted by Section 7.01, with the prior written consent of the holders of a majority of the Obligations, the Obligated Group Representative and the Trustee may enter into at any time and from time to time Supplemental Indentures amending or supplementing this Indenture, any Supplemental Indenture or any Obligation to modify any of the provisions thereof or to release any Obligated Group Member from any of the obligations, covenants, agreements, limitations, conditions or restrictions therein contained; *provided*, however, that nothing contained herein shall permit (i) a change in any terms of payment redemption, prepayment or purchase of any Obligation without the consent of the Holder of such Obligation or (ii) a preference or priority of any Obligation over any other Obligation or a reduction in the percentage of Obligations the consent of the Holders of which is required for any modification of this Indenture without the unanimous consent of the holders of the Outstanding Obligations.

Section 7.03. Notation on Obligations.

Obligations authenticated and delivered after the effective date of any Supplemental Indenture may, and if the Trustee or the Obligated Group Representative so determines, shall, bear a notation by endorsement or otherwise in form approved by the Obligated Group Representative and the Trustee of such action. If the Obligated Group Representative or the Trustee shall so determine, new Obligations modified as necessary, in the opinion of the Trustee and the Obligated Group Representative, to conform to such Supplemental Indenture shall be prepared, authenticated and delivered and, upon demand of the Holder of any Outstanding Obligation and surrender of such Obligation to the Trustee, such Obligation shall be exchanged, without cost to such Holder, for a new Obligation so modified.

ARTICLE VIII

DEFEASANCE

Section 8.01. Defeasance.

(a) If the Obligated Group Members shall pay or cause to be paid all amounts payable under all Obligations at the times and in the manner stipulated therein, in this Indenture and in any Supplemental Indenture, then all rights granted hereby to the Obligations shall be discharged and satisfied. In such event, upon the Request of the Obligated Group Representative, the Trustee shall execute and deliver to the Obligated Group Representative all such instruments as may be desirable to evidence such discharge and satisfaction, and the Trustee shall pay or deliver to the Obligated Group Representative, or to such officer, board or body as may then be entitled by law to receive the same, all property held by it pursuant to this Indenture (other than any moneys and securities required for the payment or redemption of Obligations not theretofore surrendered for such payment or redemption).

(b) Unless otherwise provided in the Supplemental Indenture authorizing the issuance of any Obligation with respect to such Obligation, an Obligation shall be deemed to have been paid within the meaning of and with the effect expressed in this Section if (i) money for the payment or redemption of such Obligation shall be held by the Trustee (through deposit by the Obligated Group Members of moneys for such payment or redemption or otherwise, regardless of the source of such moneys), whether at or prior to the maturity or the redemption date of such Obligation, or (ii) if the maturity or redemption date of such Obligation shall not have arrived, provision shall have been made by the Obligated Group Members for the payment of all amounts payable under such Obligation on the due dates for such payments by deposit with the Trustee (or other method satisfactory to the Trustee) of Government Obligations, the principal of and the interest on which when due will provide for such payment; *provided*, however, that if such Obligation is to be redeemed prior to the maturity thereof, the Obligated Group Members shall have taken all action necessary to redeem such Obligation and notice of such redemption shall have been duly given or provisions satisfactory to the Trustee shall have been made for the giving of such notice.

(c) Anything in this Indenture to the contrary notwithstanding, at the Request of the Obligated Group Representative, any moneys held by the Trustee in trust for the payment of any of the Obligations which remain unclaimed for one year after the later of the date at which such Obligations became due and payable and the date of deposit of such moneys shall be repaid by the Trustee to the Obligated Group Representative, or to such officer, board or body as may then be entitled by law to receive such moneys, as its absolute property and free from trust, and the Trustee shall thereupon be released and discharged with respect thereto; *provided*, however, that before being required to make any such payment to the Obligated Group Representative, the Trustee may, at the expense of the Obligated Group Members, cause to be published in a newspaper or financial journal of general circulation in the Borough of Manhattan, City and State of New York, a notice that such moneys remain unclaimed and that, after a date named in such notice, which date shall be not fewer than 40 nor more than 90 days after the date of publication of such notice, the balance of such moneys shall be returned to the Obligated Group Representative.

ARTICLE IX

MISCELLANEOUS

Section 9.01. Further Assurances.

The Obligated Group Members shall pass, make, do, execute, acknowledge and deliver, all and every such further resolutions, acts, deeds, conveyances, assignments, transfers and assurances as may be necessary or desirable for the better assuring, conveying, granting, assigning and confirming all and singular the rights hereby granted, or intended so to be, or which the Obligated Group Members may hereafter become bound to pledge or assign.

Section 9.02. Consent or Direction of Holders; Evidence of Signatures of Holders; Ownership of Obligations.

(a) Any request, direction, consent or other instrument which this Indenture may require or permit to be signed and executed by the holders of Obligations may be in one or more instruments of similar tenor, and shall be signed or executed by such holders in person, by their attorneys duly appointed in writing or by their legal representatives. Except as otherwise expressly provided herein, proof of the execution of any such instrument or of an instrument appointing any such attorney, or the holding by any person of such Obligation shall be sufficient for any purpose of this Indenture and shall be conclusive in favor of the Trustee and the Obligated Group Members with regard to any action taken by either under such instrument if made in the following manner, but the Trustee may nevertheless in its discretion require further or other proof in any case in which it deems such further or other proof desirable:

(i) the fact and date of the execution by any holder of any Obligation, his attorney or legal representative of such instrument may be proved by the certificate (which need not be acknowledged or verified) of an officer of a bank or trust company satisfactory to the Trustee or 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 instrument 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; and the authority of any person executing any such instrument on behalf of a corporate holder may be established without further proof if such instrument is signed by a person purporting to be the president or a vice president of such corporation with a corporate seal affixed and attested by a person purporting to be its secretary, an assistant secretary, its cashier or an assistant cashier; and

(ii) the ownership of any Obligation and the amount, numbers and other identification and date of holding the same shall be proved by the registration books established with respect to such Obligation.

(b) Notwithstanding the foregoing provisions of this Section, the Supplemental Indenture authorizing the issuance of any Obligation may provide that the issuer of any Credit Facility securing such Obligation or any Related Bond, or an other person shall be deemed the holder of such Obligation, in each case for the purposes of making any request or giving or withholding any consent, vote or direction permitted or required to be made or given by any holder of such Obligation under this Indenture or such Supplemental Indenture.

(c) Any right or power granted to the Trustee hereunder may be exercised by the holders of a majority of the Obligations, and the Trustee shall take any action or refrain from taking any action required or permitted to be taken by the Trustee hereunder upon the direction of the holders of a majority of the Obligations. The Trustee shall give written notice to each holder that shall have filed with the Trustee a Request therefor of any discretionary action permitted to be taken by the Trustee hereunder prior to taking such action.

(d) Any request, direction, consent or vote of the owner of any Obligation given in accordance with this Indenture or any Supplemental Indenture shall bind all future owners of such Obligation with respect to anything done or suffered to be done or omitted to be done by any Obligated Group Member, the Obligated Group Representative or the Trustee in accordance therewith.

Section 9.03. Preservation by Trustee and Inspection of Documents.

All documents received by the Trustee from the Obligated Group Representative, any Obligated Group Member, the Holders of Obligations or otherwise under the provisions of this Indenture shall be retained in its possession and shall be subject at all reasonable times to the inspection of the Obligated Group Representative and any holder of Obligations and their agents and representatives, any of whom may make copies thereof.

Section 9.04. Moneys Held for Particular Obligations.

Amounts held by the Trustee for the payment of the principal of and interest and premium on Obligations due on any date shall, pending such payment, be set aside and held in trust by it for the holders of such Obligations and, for the purposes of this Indenture, such principal and interest and premium on such Obligations shall no longer be considered to be unpaid.

Section 9.05. No Recourse on Obligations.

No recourse shall be had for the payment of amounts due under the Obligations or for any claims based thereon or on this Indenture against any director or officer of any Obligated Group Member, all such liability, if any, being expressly waived and released by every Holder of Obligations by the acceptance of such Obligations.

Section 9.06. Severability of Invalid Provision.

If any covenant or agreement provided in this Indenture on the part of the Obligated Group Representative, any Obligated Group Member or the Trustee to be performed should be contrary to law, then such covenant or agreement shall be null and void and shall in no way affect the validity of the other provisions of this Indenture or of the Obligations.

Section 9.07. Notices.

Except as otherwise expressly provided in this Indenture, after the Effective Date all notices or other instruments required or permitted under this Indenture shall be in writing and shall be telexed, cabled, delivered by hand or mailed by first class mail, postage prepaid, and addressed as follows:

If to the Obligated Group Representative:

Adventist HealthCare, Inc.
1801 Research Boulevard
Suite 300
Rockville, Maryland 20850
Attention: Chief Financial Officer

If to the Trustee:

Allfirst Bank
25 South Charles Street
16th Floor
Baltimore, Maryland 21201
Attention: Corporate Trust Department

The addresses set forth above are correct as of the date of February 1, 2003. After the Effective Date, either of such addresses may be changed at any time upon written notice of such change given to the other party by the party effecting the change.

Section 9.08. Business Days.

Except as otherwise expressly provided herein, if any date specified herein for the performance of any act shall not be a Business Day, such performance shall be made on the next succeeding Business Day with the same effect as if made on such date.

Section 9.09. Counterparts.

This Indenture may be executed in any number of counterparts, each of which shall be deemed to be an original for all purposes; and all such counterparts shall together constitute but one and the same instrument.

Section 9.10. Governing Law.

This Indenture shall be governed by and construed in accordance with the laws of the State of Maryland.

Section 9.11. Effectiveness of this Indenture.

This Indenture shall become effective as of the Effective Date. The amendment and restatement of the Original Indenture by this Indenture does not extinguish, discharge or release the lien of the Original Indenture and shall not be construed as a substitution or novation of the Original Indenture and all Obligations, whether issued prior to on, or after the Effective Date, shall be continuously secured by the Original Indenture, as amended and restated by this Indenture.

IN WITNESS WHEREOF, the parties hereto have caused this Indenture to be duly executed, sealed and delivered, all as of the day and year first above written.

(SEAL)

ADVENTIST HEALTHCARE, INC.

ATTEST:

By: William G. Robertson
William G. Robertson
President and Chief Executive Officer

Jack W. Wagner
Authorized Officer

(SEAL)

**SHADY GROVE ADVENTIST NURSING &
REHABILITATION CENTER, INC.**

ATTEST:

By: William G. Robertson
William G. Robertson
President and Chief Executive Officer

Jack W. Wagner
Authorized Officer
(SEAL)

HACKETTSTOWN COMMUNITY HOSPITAL

ATTEST:

By: William G. Robertson
William G. Robertson
President and Chief Executive Officer

Jack W. Wagner
Authorized Officer

(SEAL)

ALLFIRST BANK, as Trustee

ATTEST:

By: Jeffrey G. Johns
Jeffrey G. Johns
~~Vice President~~ *Corporate Trust Officer*

[Signature]
Authorized Officer