

## **FIRST SUPPLEMENTAL MASTER TRUST INDENTURE**

**THIS FIRST SUPPLEMENTAL MASTER TRUST INDENTURE** dated as of December 1, 2005 (this "First Supplemental Indenture") and effective from the time of execution and delivery hereof, is by and among **ADVENTIST HEALTHCARE, INC.** ("AHC"), **HACKETTSTOWN COMMUNITY HOSPITAL** ("Hackettstown") and **ADVENTIST REHABILITATION HOSPITAL OF MARYLAND, INC.** ("Adventist Rehab"), and **MANUFACTURERS AND TRADERS TRUST COMPANY**, as successor trustee (the "Trustee").

### **RECITALS**

AHC, Hackettstown and Adventist Rehab (collectively, the "Current Members"), together with Shady Grove Adventist Nursing & Rehabilitation Center, Inc. ("Shady Grove Nursing") have previously entered into a Master Trust Indenture dated as of September 1, 1991, as amended and supplemented (the "Existing Indenture," as defined herein), pursuant to which the Current Members and Shady Grove Nursing have issued various Notes (as defined in the Existing Indenture).

On the date hereof, the Maryland Health and Higher Educational Facilities Authority (the "Authority") has issued its (a) \$78,000,000 Revenue Bonds, Adventist HealthCare Issue, Series 2005A (the "Series 2005A Bonds") pursuant to the Indenture of Trust dated as of December 1, 2005 (as amended and supplemented from time to time, the "2005A Indenture") between the Authority and Manufacturers and Traders Trust Company, as trustee (together with any successor trustee under the 2005A Indenture, the "2005A Trustee"), the proceeds of which have been loaned by the Authority to AHC pursuant to a Loan Agreement dated as of December 1, 2005 (as amended and supplemented from time to time, the "2005A Loan Agreement") between the Authority and AHC in order to finance and refinance certain capital projects of AHC and certain of its affiliates and (b) \$64,590,000 Refunding Revenue Bonds, Adventist HealthCare Issue, Series 2005B (the "Series 2005B Bonds" and, together with the Series 2005A Bonds, the "Series 2005 Bonds") pursuant to the Indenture of Trust dated as of December 1, 2005 (as amended and supplemented from time to time, the "2005B Bond Indenture"), between the Authority and Manufacturers and Traders Trust Company, as trustee (together with any successor trustee under the 2005B Indenture, the "2005B Trustee"), the proceeds of which have been loaned by the Authority to AHC pursuant to a Loan Agreement dated as of December 1, 2005 (as amended and supplemented from time to time, the "2005B Loan Agreement" an together with the 2005A Loan Agreement, the "2005 Loan Agreements"), between the Authority and AHC in order to refund all of the outstanding City of Gaithersburg, Maryland Hospital Facilities Refunding and Improvement Revenue Bonds (Shady Grove Adventist Hospital), Series 1995, City of Takoma Park, Maryland Hospital Facilities Refunding and Improvement Revenue Bonds (Washington Adventist Hospital) Series 1995 and City of Gaithersburg, Maryland Nursing Home Facilities

Refunding Revenue Bonds (Shady Grove Adventist Nursing & Rehabilitation Center) Series 1995 (collectively, the "Series 1995 Bonds").

The Series 2005A Bonds are supported by a Letter of Credit dated December 20, 2005 (the "2005A Letter of Credit") issued by LaSalle Bank National Association (the "2005A Bank") pursuant to a Letter of Credit Agreement dated as of December 1, 2005 (the "2005A Letter of Credit Agreement") between the 2005A Bank and the Current Members. The Series 2005B Bonds are supported by a Letter of Credit dated December 20, 2005 (the "2005B Letter of Credit" and, together with the 2005A Letter of Credit, the "2005 Letters of Credit") issued by Manufacturers and Traders Trust Company (the "2005B Bank") pursuant to a Letter of Credit Agreement dated as of December 1, 2005 (the "2005B Letter of Credit Agreement" and, together with the 2005A Letter of Credit Agreement, the "2005 Letter of Credit Agreements") between the 2005B Bank and the Current Members. It is a condition precedent to the issuance of the Series 2005 Bonds and the 2005 Letters of Credit that each of the 2005 Loan Agreements and the 2005 Letter of Credit Agreements be secured by an Obligation, as defined in the Indenture (defined herein).

AHC has entered into an ISDA Master Agreement (the "2005 Lehman Brothers ISDA Master"), a Schedule and a Confirmation each dated October 26, 2005 between the Current Members and Lehman Brothers Special Financing Inc. ("Lehman Brothers") with respect to the Series 2005A Bonds, a copy of which is attached hereto as Appendix M (collectively, the "2005 Lehman Brothers Swap Agreement"). The Current Members have entered into an ISDA Master Agreement (the "2005 Morgan Stanley ISDA Master"), a Schedule and a Confirmation, each dated as of October 26, 2005, between the Current Members and Morgan Stanley Capital Services Inc. ("Morgan Stanley") with respect to the Series 2005B Bonds, a copy of which is attached hereto as Appendix N (collectively, the "2005 Morgan Stanley Swap Agreement" and together with the 2005 Lehman Brothers Swap Agreement, the "2005 Swap Agreements"). The Current Members have agreed in the 2005 Swap Agreements that upon the issuance of the Series 2005 Bonds, the 2005 Swap Agreements shall constitute Obligations to the extent provided herein.

The Current Members and Shady Grove Nursing have determined that in connection with the issuance of the Series 2005 Bonds, Shady Grove Nursing will withdraw from the Obligated Group (as defined in the Indenture).

Section 4.01 of the Third Supplemental Indenture (as defined in the Existing Indenture) provides that at such time as provision shall have been made for the payment of the Series 1995 Bonds, the Existing Indenture automatically shall be amended and restated in its entirety by the Amended and Restated Indenture (defined herein).

Section 7.01(b) and (e) of the Amended and Restated Indenture provide that the Obligated Group and the Trustee may enter into a Supplemental Indenture (as defined in the Indenture) in order to add to the covenants of the Obligated Group contained in the Indenture and to authorize the issuance of Obligations, respectively, without notice to or the consent of the holders of Obligations. The Obligated Group and the Trustee are entering into this First

Supplemental Indenture in accordance with such provisions of the Amended and Restated Indenture.

In consideration of the foregoing, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Current Members and the Trustee do hereby agree as follows:

## ARTICLE I

### DEFINITIONS AND RULES OF CONSTRUCTION

#### Section 1.01. Definitions; Rules of Construction.

(a) Terms used in this First Supplemental Indenture and not defined herein shall have the respective meanings given such terms in the Indenture. In addition to the terms defined elsewhere herein, as used in this First Supplemental Indenture, unless a different meaning clearly appears from the context, the following terms shall have the meanings indicated:

**“Existing Indenture”** means Master Trust Indenture dated as of September 1, 1991, among Shady Grove Adventist Hospital, Incorporated and Washington Adventist Hospital, Incorporated (“WAH”), of which AHC is successor in interest, 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 SGAH and WAH and The First National Bank of Maryland, the Second Supplemental Master Trust Indenture dated as of June 1, 1995 among SGAH, WAH and Shady Grove Nursing and The First National Bank of Maryland, the Third Supplemental Master Trust Indenture dated as of February 1, 2003 among AHC, Shady Grove Nursing, Hackettstown and Allfirst Bank, the Fourth Supplemental Master Trust Indenture dated as of September 1, 2004 among ACH, Shady Grove Nursing, Hackettstown, Adventist Rehab and the Trustee and the Fifth Supplemental Master Trust Indenture dated as of December 1, 2004 among ACH, Shady Grove Nursing, Hackettstown, Adventist Rehab and the Trustee.

**“Indenture”** means the Amended and Restated Master Trust Indenture, as amended and supplemented by this First Supplemental Indenture, as the same may be further amended and supplemented by Supplemental Indenture.

**“Master Note No. 16”** means the Note in the principal amount of \$78,000,000 securing the obligation of AHC under the 2005A Loan Agreement to pay to the Authority as and when the same shall become due and payable in accordance with the terms of the Series 2005A Bonds, the 2005A Indenture and the 2005A Loan Agreement, an amount equal to the sum of (i) the total interest becoming due on all Series 2005A Bonds to the respective dates of payment thereof, (ii) the total principal amount of the Series 2005A Bonds, (iii) all redemption premiums (if any) payable on the redemption of Series 2005A Bonds prior to stated maturity dates and (iv) the

purchase price of Series 2005A Bonds required to be paid on any Tender Date (as defined in the 2005A Indenture), a copy of which is attached hereto as Appendix I.

“**Master Note No. 17,**” means the Note in the principal amount of \$64,590,000 securing the obligation of AHC under the 2005B Loan Agreement to pay to the Authority as and when the same shall become due and payable in accordance with the terms of the Series 2005B Bonds, the 2005B Indenture and the 2005B Loan Agreement, an amount equal to the sum of (i) the total interest becoming due on all Series 2005B Bonds to the respective dates of payment thereof, (ii) the total principal amount of the Series 2005B Bonds, (iii) all redemption premiums (if any) payable on the redemption of Series 2005B Bonds prior to stated maturity dates and (iv) the purchase price of Series 2005B Bonds required to be paid on any Tender Date (as defined in the 2005B Indenture), a copy of which is attached hereto as Appendix J.

“**Master Note No. 18**” means the Note in the maximum principal amount of \$78,854,795 securing the obligation of the Obligated Group Members under the 2005A Letter of Credit Agreement to pay to the 2005A Bank as and when the same shall become due and payable in accordance with the terms of the 2005A Letter of Credit Agreement, an amount equal to the sum of (i) the total amount drawn under the 2005A Letter of Credit to pay the principal or redemption price of and interest on, and the purchase price of, Series 2005A Bonds and (ii) interest on such amounts until the respective dates of payment thereof, a copy of which is attached hereto as Appendix K.

“**Master Note No. 19**” means the Note in the maximum principal amount of \$65,297,836 securing the obligation of the Obligated Group Members under the 2005B Letter of Credit Agreement to pay to the 2005B Bank as and when the same shall become due and payable in accordance with the terms of the 2005B Letter of Credit Agreement, an amount equal to the sum of (i) the total amount drawn under the 2005B Letter of Credit to pay the principal or redemption price of and interest on, and the purchase price of, Series 2005B Bonds and (ii) interest on such amounts until the respective dates of payment thereof, a copy of which is attached hereto as Appendix L.

“**2005 Notes**” means Master Note No. 16, Master Note No. 17, Master Note No. 18 and Master Note No. 19, collectively.

(b) Any reference to a particular Article or Section shall be to such Article or Section of this First Supplemental Indenture unless the context shall otherwise require. In all other respects, the rules set forth in Section 1.02 of the Indenture shall apply to the construction of this First Supplemental Indenture.

## ARTICLE II

### CONFIRMATION OF EFFECTIVENESS OF INDENTURE, OBLIGATED GROUP AND OUTSTANDING OBLIGATIONS

#### **Section 2.01. Confirmation of Effectiveness of Indenture.**

Simultaneously with the execution and delivery of this First Supplemental Indenture and the issuance of the Series 2005 Bonds, provision for the payment of the Series 1995 Bonds has been made in accordance with the Existing Indenture and the Trustee has received the Officer's Certificate required by the Existing Indenture and the Indenture. Accordingly, the Existing Indenture is hereby amended and restated in accordance with the Indenture. The amendment and restatement of the Existing Indenture shall not be deemed to extinguish, discharge or release the lien of the Existing Indenture and shall not be construed as a substitution or novation thereof.

#### **Section 2.02. Obligated Group Members.**

Upon the execution and delivery of this First Supplemental Indenture, the Obligated Group Members shall be AHC, Hackettstown and Adventist Rehab.

#### **Section 2.03. Outstanding Obligations; Related Bonds; Related Bond Trustees; Related Issuers.**

The outstanding Obligations and the Related Bonds, Related Bond Trustees and Related Issuers immediately prior to the issuance of the 2005 Notes are set forth below.

(a) The Note ("Master Note No. 8") in the outstanding principal amount of \$22,925,000 securing the obligation of AHC under the Loan Agreement dated as of February 12, 2003 (as amended and supplemented from time to time, the "2003A Loan Agreement") between the Authority and AHC to pay to the Authority as and when the same shall become due and payable the principal of and premium, if any, and interest on the Authority's Refunding Revenue Bonds, Adventist HealthCare Issue, Series 2003A (the "Series 2003A Bonds"), a copy of which is attached hereto as Appendix A, shall constitute an Obligation for all purposes of the Indenture until such time as the Series 2003A Bonds shall have been fully and finally paid or provision for the payment thereof shall have been made in accordance with Section 9.01 of the Bond Resolution adopted by the Authority on February 12, 2003 (as amended and supplemented from time to time, the "2003A Resolution"). So long as the Series 2003A Bonds shall remain outstanding, the Authority shall be deemed to be the holder and owner of Master Note No. 8 unless and until Master Note No. 8 shall be transferred in accordance with Section 2.05 of the Indenture; the 2003A Resolution shall be deemed to be a Related Bond Indenture; the Series 2003A Bonds shall be deemed to be Related Bonds; the Trustee under and as defined in the 2003A Resolution shall be deemed to be a Related Bond Trustee; and the Authority shall be deemed to be a Related Issuer. Master Note No. 8 may not be accelerated without the prior written consent of the holder thereof.

(b) The Note ("Master Note No. 9") in the outstanding principal amount of \$38,015,000 securing the obligation of AHC under the Loan Agreement dated as of February 1, 2003 (as amended and supplemented from time to time, the "2003B Loan Agreement") between the Authority and AHC to pay to the Authority as and when the same shall become due and payable the principal of and premium, if any, and interest on, and the purchase price of, the Authority's Revenue Bonds, Adventist HealthCare Issue, Series 2003B (the "Series 2003B Bonds"), a copy of which is attached hereto as Appendix B, shall constitute an Obligation for all purposes of the Indenture until such time as the Series 2003B Bonds shall have been fully and finally paid or provision for the payment thereof shall be made in accordance with Section 9.01 of the Indenture of Trust dated as of February 1, 2003 (as amended and supplemented from time to time, the "2003B Indenture") between the Authority and Manufacturers and Traders Trust Company, as successor trustee (together with any successor trustee under the 2003B Indenture, the "2003B Trustee"). So long as the Series 2003B Bonds shall remain outstanding, the Authority shall be deemed to be the holder and owner of Master Note No. 9 unless and until Master Note No. 9 shall be transferred in accordance with Section 2.05 of the Indenture; the 2003B Indenture shall be deemed to be a Related Bond Indenture; the Series 2003B Bonds shall be deemed to be Related Bonds; the 2003B Trustee shall be deemed to be a Related Bond Trustee; and the Authority shall be deemed to be a Related Issuer. Master Note No. 9 may not be accelerated without the prior written consent of the holder thereof.

(c) The Note ("Master Note No. 10") in the maximum principal amount of \$39,999,555.56 securing the obligation of the Obligated Group Members under the Letter of Credit Agreement dated as of February 1, 2003 (the "2003 Letter of Credit Agreement") among AHC, Shady Grove Nursing, Hackettstown and Manufacturers and Traders Trust Company (the "2003 Bank") to pay to the 2003 Bank as and when the same shall become due and payable in accordance with the terms of the 2003 Letter of Credit Agreement the total amounts drawn under the Letter of Credit issued pursuant to the 2003 Letter of Credit Agreement (the "2003 Letter of Credit") to pay the principal or redemption price of and interest on, and the purchase price of, Series 2003B Bonds and interest on such amounts until the respective dates of payment thereof, a copy of which is attached hereto as Appendix C, shall constitute an Obligation for all purposes of the Indenture until such time as the 2003 Letter of Credit shall have expired, the 2003 Letter of Credit Agreement shall have been terminated or shall have expired in accordance with its terms and all amounts payable under the 2003 Letter of Credit Agreement shall have been fully and finally paid. So long as Master Note No. 10 shall remain outstanding, the 2003 Bank shall be deemed to be the holder and owner of Master Note No. 10 unless and until Master Note No. 10 shall be transferred in accordance with Section 2.05 of the Indenture. Master Note No. 10 may not be accelerated without the prior written consent of the holder thereof.

(d) The Note ("Master Note No. 11") in the outstanding principal amount of \$48,280,000 securing the obligation of AHC under the Loan Agreement dated as of September 1, 2004 (as amended and supplemented from time to time, the "2004A Loan Agreement") between the Authority and AHC to pay to the Authority as and when the same shall become due and payable the principal of and premium, if any, and interest on, and the purchase price of, the Authority's Revenue Bonds, Adventist HealthCare Issue, Series 2004A (the "Series 2004A

Bonds”), a copy of which is attached hereto as Appendix D, shall constitute an Obligation for all purposes of the Indenture until such time as the Series 2004A Bonds shall have been fully and finally paid or provision for the payment thereof shall have been made in accordance with Section 9.01 of the Indenture of Trust dated as of September 1, 2004 (as amended and supplemented from time to time, the “2004A Indenture”) between the Authority and Manufacturers and Traders Trust Company (together with any successor trustee under the 2004A Indenture, the “2004A Trustee”) pursuant to which the Series 2004A Bonds were issued. So long as the Series 2004A Bonds shall remain outstanding, the Authority shall be deemed to be the holder and owner of Master Note No. 11 unless and until Master Note No. 11 shall be transferred in accordance with Section 2.05 of the Indenture; the 2004A Indenture shall be deemed to be a Related Bond Indenture; the Series 2004A Bonds shall be deemed to be Related Bonds; the 2004A Trustee shall be deemed to be a Related Bond Trustee; and the Authority shall be deemed to be a Related Issuer. Master Note No. 11 may not be accelerated without the prior written consent of the holder thereof.

(e) The Note (“Master Note No. 12”) in the outstanding principal amount of \$34,985,000 securing the obligation of AHC under the Loan Agreement dated as of September 1, 2004 (as amended and supplemented from time to time, the “2004B Loan Agreement”) between the Authority and AHC to pay to the Authority as and when the same shall become due and payable the principal of and premium, if any, and interest on, and the purchase price of, the Authority’s Refunding Revenue Bonds, Adventist HealthCare Issue, Series 2004B (the “Series 2004B Bonds”), a copy of which is attached hereto as Appendix E, shall constitute an Obligation for all purposes of the Indenture until such time as the Series 2004B Bonds shall have been fully and finally paid or provision for the payment thereof shall have been made in accordance with Section 9.01 of the Indenture of Trust dated as of September 1, 2004 (as amended and supplemented from time to time, the “2004B Indenture”) between the Authority and Manufacturers and Traders Trust Company (together with any successor trustee under the 2004B Indenture, the “2004B Trustee”) pursuant to which the Series 2004B Bonds were issued. So long as the Series 2004B Bonds shall remain outstanding, the Authority shall be deemed to be the holder and owner of Master Note No. 12 unless and until Master Note No. 12 shall be transferred in accordance with Section 2.05 of the Indenture; the 2004B Indenture shall be deemed to be a Related Bond Indenture; the Series 2004B Bonds shall be deemed to be Related Bonds; the 2004B Trustee shall be deemed to be a Related Bond Trustee; and the Authority shall be deemed to be a Related Issuer. Master Note No. 12 may not be accelerated without the prior written consent of the holder thereof.

(f) The Note (“Master Note No. 13”) in the maximum principal amount of \$50,547,946 securing the obligation of the Obligated Group Members under the Letter of Credit Agreement dated as of September 1, 2004 (the “2004A Letter of Credit Agreement”) among AHC, Shady Grove Nursing, Hackettstown, Adventist Rehab and Manufacturers and Traders Trust Company (the “2004A Bank”) to pay to the 2004A Bank as and when the same shall become due and payable in accordance with the terms of the 2004A Letter of Credit Agreement the total amounts drawn under the Letter of Credit issued pursuant to the 2004A Letter of Credit Agreement (the “2004A Letter of Credit”) to pay the principal or redemption price of and interest

on, and the purchase price of, Series 2004A Bonds and interest on such amounts until the respective dates of payment thereof, a copy of which is attached hereto as Appendix F, shall constitute an Obligation for all purposes of the Indenture until such time as the 2004A Letter of Credit shall have expired, the 2004A Letter of Credit Agreement shall have been terminated or shall have expired in accordance with its terms and all amounts payable under the 2004A Letter of Credit Agreement shall have been fully and finally paid. So long as Master Note No. 13 shall remain outstanding, the 2004A Bank shall be deemed to be the holder and owner of Master Note No. 13 unless and until Master Note No. 13 shall be transferred in accordance with Section 2.05 of the Indenture. Master Note No. 13 may not be accelerated without the prior written consent of the holder thereof.

(g) The Note ("Master Note No. 14") in the maximum principal amount of \$36,379,357 securing the obligation of the Obligated Group Members under the Letter of Credit Agreement dated as of September 1, 2004 (the "2004B Letter of Credit Agreement") among AHC, Shady Grove Nursing, Hackettstown, Adventist Rehab and LaSalle Bank National Association (the "2004B Bank") to pay to the 2004B Bank as and when the same shall become due and payable in accordance with the terms of the 2004B Letter of Credit Agreement the total amounts drawn under the Letter of Credit issued pursuant to the 2004B Letter of Credit Agreement (the "2004B Letter of Credit") to pay the principal or redemption price of and interest on, and the purchase price of, Series 2004B Bonds and interest on such amounts until the respective dates of payment thereof, a copy of which is attached hereto as Appendix G, shall constitute an Obligation for all purposes of the Indenture until such time as the 2004B Letter of Credit shall have expired, the 2004B Letter of Credit Agreement shall have been terminated or shall have expired in accordance with its terms and all amounts payable under the 2004B Letter of Credit Agreement shall have been fully and finally paid. So long as Master Note No. 14 shall remain outstanding, the 2004B Bank shall be deemed to be the holder and owner of Master Note No. 14 unless and until Master Note No. 14 shall be transferred in accordance with Section 2.05 of the Indenture. Master Note No. 14 may not be accelerated without the prior written consent of the holder thereof.

(h) The Note ("Master Note No. 15") in the outstanding principal amount of \$20,000,000 securing the obligation of the Obligated Group Members under the Line of Credit Agreement dated December 23, 2004 (the "2004 Line of Credit Agreement") among AHC, Shady Grove Nursing, Hackettstown, Adventist Rehab and Wachovia Bank National Association (the "2005 Line of Credit Bank") to pay to the 2004 Line of Credit Bank as and when the same shall become due and payable in accordance with the terms of the 2004 Line of Credit Agreement the total amounts advanced under the 2004 Line of Credit Agreement prior to the date hereof, together with interest on such amounts until the respective dates of payment thereof, a copy of which is attached hereto as Appendix H, shall constitute an Obligation for all purposes of the Indenture until such time the principal of and interest on Master Note No. 15 shall have been fully and finally paid. So long as Master Note No. 15 shall remain outstanding, the 2004 Line of Credit Bank shall be deemed to be the holder and owner of Master Note No. 15 unless and until Master Note No. 15 shall be transferred in accordance with Section 2.05 of the Indenture.

## ARTICLE III

### THE 2005 NOTES AND 2005 SWAP AGREEMENTS

#### **Section 3.01. Conditions Precedent to Delivery of 2005 Notes and 2005 Swap Agreements; Authentication and Delivery.**

Each of the following items has been delivered to the Trustee and the Authority:

(a) a counterpart of this First Supplemental Indenture, executed by the Obligated Group Representative and the Trustee;

(b) all certificates, opinions, written statements and other items required pursuant to Section 4.12 of the Indenture in connection with the incurrence by the Obligated Group Members of Master Note No. 16, Master Note No. 17, Master Note No. 18 and Master Note No. 19 and evidence that the Obligated Group has satisfied the Revenue Test with respect to the 2005 Swap Agreements, in each case as of the date hereof;

(c) a copy of a resolution of the governing body of each Obligated Group Member authorizing the issuance of the 2005 Notes and the 2005 Swap Agreements and the execution and delivery by the Obligated Group Representative of this First Supplemental Indenture, certified by an authorized officer of the Obligated Group Representative;

(d) an Opinion of Counsel to the effect that (i) this First Supplemental Indenture has been duly authorized, executed and delivered by the Obligated Group Representative in accordance with the Indenture and, assuming the due authorization, execution and delivery hereof by the Trustee, constitutes the valid and binding obligation of the Obligated Group; (ii) the Obligated Group Members are duly authorized and entitled to issue the 2005 Notes and the 2005 Swap Agreements and, upon the execution, authentication and delivery thereof as provided in this First Supplemental Indenture and, in the case of the 2005 Swap Agreements, assuming the due authorization, execution and delivery thereof by the other parties thereto, the 2005 Notes and the 2005 Swap Agreements will be duly and validly issued in accordance with the Indenture and will constitute valid and binding obligations of the Obligated Group Members in accordance with their respective terms; (iii) all outstanding Obligations are secured equally and ratably with the 2005 Notes and the 2005 Swap Agreements by any pledge, lien or other security interest in any property of any Obligated Group Member securing any 2005 Note or 2005 Swap Agreement; and (iv) the issuance of the 2005 Notes and the 2005 Swap Agreements is in accordance with the provisions of the Indenture and this First Supplemental Indenture;

(e) an Officer's Certificate to the effect that, upon the issuance of the 2005 Notes and the 2005 Swap Agreements, 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 the 2005 Notes and the 2005 Swap Agreements and designating the persons to whom the 2005 Notes and the 2005 Swap Agreements are to be delivered.

In accordance with Section 2.03 of the Indenture, the Trustee shall authenticate the 2005 Notes and the 2005 Swap Agreements and deliver such Obligations in accordance with the Order of the Obligated Group Representative described in clause (f) above.

**Section 3.02. Ownership of Obligations; Related Bonds; Related Bond Trustees; Related Issuer; Defeasance; Acceleration.**

(a) For all purposes of the Indenture, until such time as the Series 2005A Bonds shall have been fully and finally paid or provision for the payment thereof shall be made in accordance with Section 9.01 of the 2005A Indenture, Master Note No. 16 shall constitute an outstanding Obligation; the Authority shall be deemed to be the holder and owner of Master Note No. 16 unless and until Master Note No. 16 shall be transferred in accordance with Section 2.05 of the Indenture; the 2005A Indenture shall be deemed to be a Related Bond Indenture; the Series 2005A Bonds shall be deemed to be Related Bonds; the 2005A Trustee shall be deemed to be a Related Bond Trustee; and the Authority shall be deemed to be a Related Issuer. Master Note No. 16 may not be accelerated without the prior written consent of the holder thereof.

(b) For all purposes of the Indenture, until such time as the Series 2005B Bonds shall have been fully and finally paid or provision for the payment thereof shall be made in accordance with Section 9.01 of the 2005B Indenture, Master Note No. 17 shall constitute an outstanding Obligation; the Authority shall be deemed to be the holder and owner of Master Note No. 17 unless and until Master Note No. 17 shall be transferred in accordance with Section 2.05 of the Indenture; the 2005B Indenture shall be deemed to be a Related Bond Indenture; the Series 2005B Bonds shall be deemed to be Related Bonds; the 2005B Bond Trustee shall be deemed to be a Related Bond Trustee; and the Authority shall be deemed to be a Related Issuer. Master Note No. 17 may not be accelerated without the prior written consent of the holder thereof.

(c) For all purposes of the Indenture, until such time as the 2005A Letter of Credit shall have expired, the 2005A Letter of Credit Agreement shall have been terminated or shall have expired in accordance with its terms and all amounts payable under the 2005A Letter of Credit Agreement shall have been fully and finally paid, Master Note No. 18 shall constitute an outstanding Obligation, and the 2005A Bank shall be deemed to be the holder and owner of Master Note No. 18 unless and until Master Note No. 18 shall be transferred in accordance with

Section 2.05 of the Indenture. Master Note No. 18 may not be accelerated without the prior written consent of the holder thereof.

(d) For all purposes of the Indenture, until such time as the 2005B Letter of Credit shall have expired, the 2005B Letter of Credit Agreement shall have been terminated or shall have expired in accordance with its terms and all amounts payable under the 2005B Letter of Credit Agreement shall have been fully and finally paid, Master Note No. 19 shall constitute an outstanding Obligation, and the 2005B Bank shall be deemed to be the holder and owner of Master Note No. 19 unless and until Master Note No. 19 shall be transferred in accordance with Section 2.05 of the Indenture. Master Note No. 19 may not be accelerated without the prior written consent of the holder thereof.

(e) For all purposes of the Indenture, until such time as the 2005 Lehman Brothers Swap Agreement shall have been terminated or shall have expired in accordance with its terms and all amounts payable under the 2005 Lehman Brothers Swap Agreement shall have been fully and finally paid, the regularly scheduled payments required to be made by AHC and any amount payable by AHC upon any Early Termination Date (as defined in the 2005 Lehman Brothers ISDA Master) shall constitute Obligations, and Lehman Brothers shall be deemed to be the holder and owner of the 2005 Lehman Brothers Swap Agreement unless and until the 2005 Lehman Brothers Swap Agreement shall be transferred in accordance with Section 2.05 of the Indenture. Subject to the further provisions of this Section, the "principal amount" of the 2005 Lehman Brothers Swap Agreement shall be deemed to be equal to the amount, if any, then due under 2005 Lehman Brothers Swap Agreement, including (without limitation) any amount payable by the AHC under Section 6(e) of the Lehman Brothers ISDA Master upon an Early Termination Date (as defined in the 2005 Lehman Brothers ISDA Master). For the purposes of Section 6.05 of the Indenture, regularly scheduled payments under the 2005 Lehman Brothers Swap Agreement shall be deemed to constitute interest. Amounts payable by the Obligated Group under the 2005 Lehman Brothers Swap Agreement may not be accelerated without the prior written consent of the holder thereof. Notwithstanding any other provision of the Indenture, the Swap Agreement shall be subject to termination, and amounts shall be payable upon any such termination, solely in accordance with the terms thereof.

(f) For all purposes of the Indenture, until such time as the 2005 Morgan Stanley Swap Agreement shall have been terminated or shall have expired in accordance with its terms and all amounts payable under the 2005 Morgan Stanley Swap Agreement shall have been fully and finally paid, the regularly scheduled payments required to be made by the Obligated Group Members and any amount payable by the Obligated Group Members upon any Early Termination Date (as defined in the 2005 Morgan Stanley ISDA Master) shall constitute Obligations, and Morgan Stanley shall be deemed to be the holder and owner of the 2005 Morgan Stanley Swap Agreement unless and until the 2005 Morgan Stanley Swap Agreement shall be transferred in accordance with Section 2.05 of the Indenture. Subject to the further provisions of this Section, the "principal amount" of the 2005 Morgan Stanley Swap Agreement shall be deemed to be equal to the amount, if any, then due under 2005 Morgan Stanley Swap Agreement, including (without limitation) any amount payable by the Obligated Group Members under Section 6(e) of

the Morgan Stanley ISDA Master upon an Early Termination Date (as defined in the 2005 Morgan Stanley ISDA Master). For the purposes of Section 6.05 of the Indenture, regularly scheduled payments under the 2005 Morgan Stanley Swap Agreement shall be deemed to constitute interest. Amounts payable by the Obligated Group under the 2005 Morgan Stanley Swap Agreement may not be accelerated without the prior written consent of the holder thereof. Notwithstanding any other provision of the Indenture, the Swap Agreement shall be subject to termination, and amounts shall be payable upon any such termination, solely in accordance with the terms thereof.

## ARTICLE IV

### AMENDMENTS TO INDENTURE

#### **Section 4.01. Limitation on Supplemental Indentures; Trustee to Provide Notices.**

The Obligated Group Members and the Trustee acknowledge that AHC has agreed in the 2003A Loan Agreement, the 2003B Loan Agreement, the 2004A Loan Agreement, the 2004B Loan Agreement, the 2005A Loan Agreement and 2005A Loan Agreement (collectively, the "Authority Loan Agreements") that (a) AHC shall provide or cause to be provided to the Authority all notices and other items required or permitted to be given to the Trustee under the Indenture by any Obligated Group Member at the time of delivery thereof to the Trustee, (b) in the event the Indenture requires the delivery of a Favorable Opinion of Bond Counsel with respect to any action, the Obligated Group shall deliver to the Authority a Favorable Opinion of Bond Counsel as defined in the Authority Loan Agreements with respect to such action to the extent required by the Authority and (c) except as otherwise provided in the Loan Agreements, the Obligated Group shall not enter into any amendment of the Indenture or any Obligation without the prior written consent of the Authority (which consent shall not be unreasonably withheld).

Accordingly, the Trustee hereby agrees (i) to provide or cause to be provided to the Authority all notices and other items received by Trustee from any Obligated Group Member pursuant to the Indenture promptly following receipt thereof by the Trustee; (ii) that in each instance in which the Indenture requires the delivery of a Favorable Opinion of Bond Counsel with respect to any action, the Trustee shall require the delivery of a Favorable Opinion of Bond Counsel as defined in the Authority Loan Agreements to the extent required by the Authority; and (iii) the Trustee shall not enter into any amendment of the Indenture or any Obligation without the prior written consent of the Authority (which consent shall not be unreasonably withheld), *provided* that the Trustee may enter into a supplement to the Indenture solely for the purpose of authorizing the issuance of Obligations if, before the effective date thereof, there is delivered to the Trustee written evidence that the Obligated Group has satisfied the requirements of the Authority Loan Agreements in connection therewith.

**Section 4.02. Merger, Consolidation and Acquisition or Transfer of Assets.**

Notwithstanding the provisions Section 4.11 of the Indenture, no Tax-Exempt Obligated Group Member may 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 Obligated Group Member unless, at least 30 days prior to effecting such merger, consolidation, transfer or acquisition, there shall be filed with the Trustee a Favorable Opinion of Bond Counsel.

**Section 4.03. Certain Definitions.**

(a) The definition of “**Net Income Available for Debt Service**” set forth in the Indenture is hereby amended and restated as follows:

“**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 (other than any investment) or on the extinguishment of debt and any unrealized gain or loss on any investment or any Hedging Transaction.”

(b) The definition of “**Total Operating Revenues**” set forth in the Indenture is hereby amended and restated as follows:

“**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, exclusive of any unrealized gain or loss on any investment or any Hedging Transaction, determined in accordance with generally accepted accounting principles consistently applied.”

(c) The definition of “**Unrestricted Revenues**” set forth in the Indenture is hereby amended and restated as follows:

“**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,

general intangibles, chattel paper, instruments, investment property 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.

(d) The definition of “**Value**” set forth in the Indenture is hereby amended and restated as follows:

“**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 Current Value of such investment.”

## ARTICLE V

### MISCELLANEOUS

#### **Section 5.01. Confirmation of Withdrawal of Shady Grove Nursing from Obligated Group.**

In accordance with Section 3.03 of the Indenture, each of the following conditions has been satisfied with respect to the withdrawal of Shady Grove Nursing from the Obligated Group on and as of the date of execution and delivery of this First Supplemental Indenture:

(a) the Trustee and the Authority have received an Officer’s Certificate of the Obligated Group Representative to the effect that the withdrawal of Shady Grove Nursing from the Obligated Group will 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;

(b) the Revenue Test has been satisfied; and

(c) the Trustee and the Authority have received a Favorable Opinion of Bond Counsel.

This First Supplemental Indenture shall constitute the written consent of AHC and the other Obligated Group Members to the withdrawal of Shady Grove Adventist from the Obligated Group required by Section 3.03 of the Indenture.

Accordingly, Shady Grove Nursing shall have no further liability as obligor or guarantor of any Obligation or otherwise under the Indenture.

**Section 5.02 Authority of Obligated Group Representative to Act on Behalf of Obligated Group Members.**

Each Obligated Group Member hereby appoints the Obligated Group Representative as agent for such Obligated Group Member for the purpose of issuing Obligations from time to time under the Indenture, disbursing the proceeds of such Obligations among the Obligated Group Members and taking any other action required or permitted to be taken by such Obligated Group Member under the Indenture. The Trustee is hereby authorized by each Obligated Group Member to authenticate and deliver Obligations under the Indenture upon the direction of the Obligated Group Representative and no Obligation shall be authenticated and delivered under the Indenture upon the direction of any other Obligated Group Member. Each Obligated Group Member hereby ratifies and confirms all actions heretofore taken on behalf of the Obligated Group Members by the Obligated Group Members.

**Section 5.03. Execution in Several Counterparts.**

This First Supplemental 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 5.04. Severability.**

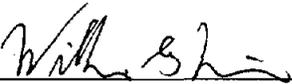
If any clause, provision or section of this First Supplemental Indenture is held illegal or invalid by any court, the invalidity of such clause, provision or section shall not affect any of the remaining clauses, provisions or sections hereof, and this First Supplemental Indenture shall be construed and enforced as if such illegal or invalid clause, provision or section had not been contained herein. In case any agreement or obligation contained in this First Supplemental Indenture is held to be in violation of law, such agreement or obligation shall nevertheless be determined to be the agreement or obligation of the Obligated Group Members or the Trustee, as the case may be, to the full extent permitted by law.

[Remainder of page intentionally left blank]

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

[SEAL]

ATTEST:

  
\_\_\_\_\_  
William G. Robertson  
President and Chief Executive Officer

**ADVENTIST HEALTHCARE, INC.**

By:   
\_\_\_\_\_  
James G. Lee  
Senior Vice President and  
Chief Financial Officer

**HACKETTSTOWN COMMUNITY HOSPITAL**

WITNESS:

  
\_\_\_\_\_  
Authorized Officer

By:   
\_\_\_\_\_  
William G. Robertson  
Chairman

**ADVENTIST REHABILITATION HOSPITAL OF MARYLAND, INC.**

WITNESS:

  
\_\_\_\_\_  
William G. Robertson  
President and Chief Executive Officer

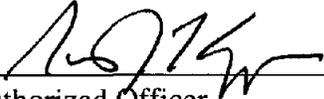
By:   
\_\_\_\_\_  
James G. Lee  
Treasurer

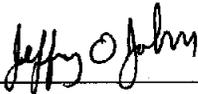
[Signature page to First Supplemental Master Trust Indenture]

[SEAL]

**MANUFACTURERS AND TRADERS TRUST  
COMPANY, as trustee**

ATTEST:

  
\_\_\_\_\_  
Authorized Officer

By:   
\_\_\_\_\_  
Jeffrey O. Johns  
Corporate Trust Officer

[Signature Page to First Supplemental Master Trust Indenture]

**THIS NOTE HAS NOT BEEN REGISTERED UNDER  
THE SECURITIES ACT OF 1933**

Master Note No. 8

\$22,925,000

**Obligated Group Direct Obligation Master Note  
For Adventist HealthCare, Inc.  
(Maryland Health and Higher Educational Facilities Authority Project)**

Adventist HealthCare, Inc., a non-profit, non-stock corporation organized and existing under the laws of the State of Maryland ("AHC"), Shady Grove Adventist Nursing & Rehabilitation Center, Inc., a non-profit, non-stock corporation organized and existing under the laws of the State of Maryland ("SGNC"), Hackettstown Community Hospital, a non-profit, non-stock corporation organized and existing under the laws of the State of New Jersey ("HCH") and all other organizations which from time to time are Members of the Obligated Group (the "Members") under the terms of a Master Trust Indenture dated as of September 1, 1991 as supplemented from time to time (the "Master Indenture"), among all such parties and Allfirst Bank (formerly known as The First National Bank of Maryland), as Master Trustee (the "Master Trustee") (AHC, SGNC, HCH and all other Members during such time as they shall be parties to the Master Indenture are referred to collectively herein as the "Obligated Group"), for value received, hereby jointly and severally agree to pay to the Maryland Health and Higher Educational Facilities Authority (the "Issuer") or its assigns the principal sum of TWENTY TWO MILLION NINE HUNDRED TWENTY-FIVE THOUSAND DOLLARS (\$22,925,000) in accordance with the Loan Agreement dated as of February 12, 2003 between the Issuer and AHC (the "2003A Loan Agreement").

The Members unconditionally agree that they will, jointly and severally, repay to the Issuer the full \$22,925,000 principal amount of the loan made to AHC with interest thereon, in accordance with the terms of the 2003A Loan Agreement. Payment shall be duly made if received from any Member or collectively from or on behalf of all or any group of Members.

The Members may withdraw from the Obligated Group under the terms and conditions set forth in the Master Indenture and subsequent to such withdrawal shall have no further obligation under this Master Note or the Master Indenture unless such institution once again becomes a party to the Master Indenture. Notwithstanding the foregoing, the withdrawal of any Member from the Obligated Group shall not release such Member from its obligations under the 2003A Loan Agreement and at no time shall AHC be entitled to withdraw as a member of the Obligated Group. Additional parties may from time to time be added to the Obligated Group and upon being added each such new Member shall be jointly and severally obligated with respect to this Master Note.

This Master Note is issued under the Master Indenture and pursuant to the terms of the Master Indenture and is entitled to the security, rights and benefits afforded thereby.

Copies of the Master Indenture are on file at the designated corporate trust office of the Master Trustee and reference is hereby made to the Master Indenture for the provisions, among others, with respect to the nature and extent of the rights of the owners of the Notes (as such term is defined in the Master Indenture), the terms and conditions on which, and the purposes for which, the Notes are issued and the rights, duties and obligations of the Members and the Master Trustee under the Master Indenture, to all of which the owner hereof, by acceptance of this Master Note, assents.

Upon the occurrence of certain "Events of Default," as defined in the Master Indenture, the principal of all outstanding Notes may be declared, and thereupon shall become due and payable as provided in the Master Indenture.

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

This Master Note shall be registered on the register to be maintained by the Master Trustee for that purpose at the designated corporate trust office of the Master Trustee, and this Master Note shall be transferable only upon said register at said office by the registered owner or by his duly authorized attorney. Upon any such transfer, the Master Trustee shall authenticate and deliver, in exchange for this Master Note, a new registered Master Note or Notes registered in the name of the transferee, subject to the conditions and upon payment of the charges provided in the Master Indenture.

It is hereby certified that all conditions, acts and things required to exist, happen and be performed under the Master Indenture precedent to and in the issuance of this Master Note exist, have happened and have been performed and that the issuance, authentication and delivery of this Master Note have been duly authorized by all Members of the Obligated Group and the Obligated Group Representative has been duly authorized and has full power to execute this Master Note and thereby bind all Members under the terms of the Master Indenture.

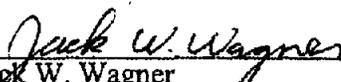
This Master Note shall not be entitled to any benefit under the Master Indenture, or be valid or become obligatory for any purpose, until this Master Note shall have been authenticated by the Master Trustee by execution of the certificate of authentication hereon.

IN WITNESS WHEREOF, the Members have caused this Master Note to be executed this 27<sup>th</sup> day of February, 2003.

[SEAL]

ADVENTIST HEALTHCARE, INC., as  
Obligated Group Representative

Attest:

  
\_\_\_\_\_  
Jack W. Wagner  
Executive Vice President and  
Chief Financial Officer

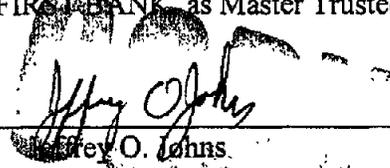
By:   
\_\_\_\_\_  
William G. Robertson  
President and Chief Executive Officer

**COPY**

This Master Note is one of the Notes described in the within-mentioned Master Indenture.

ALLFIRE BANK as Master Trustee

By:

  
\_\_\_\_\_  
Jeffrey O. Johns  
Corporate Trust Officer

Authentication Date: February 27, 2003

ENDORSEMENT AND ASSIGNMENT

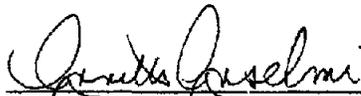
FOR VALUED RECEIVED, pay without recourse to the order of Allfirst Trust Company National Association, as bond trustee (the "Related Bond Trustee") under the Adventist HealthCare Bond Resolution adopted by the Issuer on February 12, 2003, the "Related Bond Indenture"). The Issuer hereby pledges and assigns all of its right, title and interest in and to the above Note to the Related Bond Trustee, or to its successor or successors as Related Bond Trustee under the Related Bond Indenture, for the benefit and security of the registered Owners of the Related Bonds from time to time outstanding thereunder.

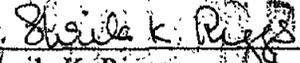
Dated as of February 27, 2003.

[SEAL]

MARYLAND HEALTH AND HIGHER  
EDUCATIONAL FACILITIES  
AUTHORITY

Attest:

  
\_\_\_\_\_  
Annette Anselmi  
Executive Director

  
\_\_\_\_\_  
Sheila K. Riggs  
Chairman

**COPY**

**COPY** Appendix B

THIS NOTE HAS NOT BEEN REGISTERED UNDER  
THE SECURITIES ACT OF 1933

Master Note No. 9

\$39,560,000

Obligated Group Direct Obligation Master Note  
For Adventist HealthCare, Inc.  
(Maryland Health and Higher Educational Facilities Authority Project)

Adventist HealthCare, Inc., a non-profit, non-stock corporation organized and existing under the laws of the State of Maryland ("AHC"), Shady Grove Adventist Nursing & Rehabilitation Center, Inc., a non-profit, non-stock corporation organized and existing under the laws of the State of Maryland ("SGNC"), Hackettstown Community Hospital, a non-profit, non-stock corporation organized and existing under the laws of the State of New Jersey ("HCH") and all other organizations which from time to time are Members of the Obligated Group (the "Members") under the terms of a Master Trust Indenture dated as of September 1, 1991, as supplemented from time to time (the "Master Indenture"), among all such parties and Allfirst Bank (formerly known as The First National Bank of Maryland), as Master Trustee (the "Master Trustee") (AHC, SGNC, HCH and all other Members during such time as they shall be parties to the Master Indenture are referred to collectively herein as the "Obligated Group"), for value received, hereby jointly and severally agree to pay to the Maryland Health and Higher Educational Facilities Authority (the "Issuer") or its assigns the principal sum of THIRTY NINE MILLION FIVE HUNDRED SIXTY THOUSAND DOLLARS (\$39,560,000) in accordance with the Loan Agreement dated as of February 1, 2003 between the Issuer and AHC (the "2003B Loan Agreement").

The Members unconditionally agree that they will, jointly and severally, repay to the Issuer the full \$39,560,000 principal amount of the loan made to AHC with interest thereon, in accordance with the terms of the 2003B Loan Agreement. Payment shall be duly made if received from any Member or collectively from or on behalf of all or any group of Members. Payment on either this Master Note or Master Note No. 10 (as defined in the Master Indenture) shall constitute an offset of a corresponding amount on the amount due on the other such Note.

The Members may withdraw from the Obligated Group under the terms and conditions set forth in the Master Indenture and subsequent to such withdrawal shall have no further obligation under this Master Note or the Master Indenture unless such institution once again becomes a party to the Master Indenture. Notwithstanding the foregoing, the withdrawal of any Member from the Obligated Group shall not release such Member from its obligations under the 2003B Loan Agreement and at no time shall AHC be entitled to withdraw as a member of the Obligated Group. Additional parties may from time to time be added to the Obligated Group and upon being added each such new Member shall be jointly and severally obligated with respect to this Master Note.

This Master Note is issued under the Master Indenture and pursuant to the terms of the Master Indenture and is entitled to the security, rights and benefits afforded thereby.

Copies of the Master Indenture are on file at the designated corporate trust office of the Master Trustee and reference is hereby made to the Master Indenture for the provisions, among others, with respect to the nature and extent of the rights of the owners of the Notes (as such term is defined in the Master Indenture), the terms and conditions on which, and the purposes for which, the Notes are issued and the rights, duties and obligations of the Members and the Master Trustee under the Master Indenture, to all of which the owner hereof, by acceptance of this Master Note, assents.

Upon the occurrence of certain "Events of Default," as defined in the Master Indenture, the principal of all outstanding Notes may be declared, and thereupon shall become due and payable as provided in the Master Indenture.

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

This Master Note shall be registered on the register to be maintained by the Master Trustee for that purpose at the designated corporate trust office of the Master Trustee, and this Master Note shall be transferable only upon said register at said office by the registered owner or by his duly authorized attorney. Upon any such transfer, the Master Trustee shall authenticate and deliver, in exchange for this Master Note, a new registered Master Note or Notes registered in the name of the transferee, subject to the conditions and upon payment of the charges provided in the Master Indenture.

It is hereby certified that all conditions, acts and things required to exist, happen and be performed under the Master Indenture precedent to and in the issuance of this Master Note exist, have happened and have been performed and that the issuance, authentication and delivery of this Master Note have been duly authorized by all Members of the Obligated Group and the Obligated Group Representative has been duly authorized and has full power to execute this Master Note and thereby bind all Members under the terms of the Master Indenture.

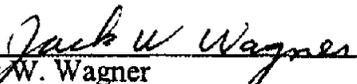
This Master Note shall not be entitled to any benefit under the Master Indenture, or be valid or become obligatory for any purpose, until this Master Note shall have been authenticated by the Master Trustee by execution of the certificate of authentication hereon.

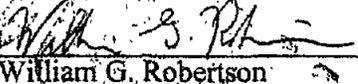
IN WITNESS WHEREOF, the Members have caused this Master Note to be executed this 27<sup>th</sup> day of February, 2003.

[SEAL]

ADVENTIST HEALTHCARE, INC., as  
Obligated Group Representative

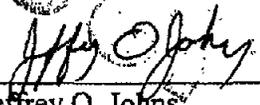
Attest:

  
\_\_\_\_\_  
Jack W. Wagner  
Executive Vice President and  
Chief Financial Officer

  
By \_\_\_\_\_  
William G. Robertson  
President and Chief Executive Officer

This Master Note is one of the Notes described in the within-mentioned Master Indenture.

ALLFIRST BANK, as Master Trustee

By: 

Jeffrey O. Johns  
Corporate Trust Officer

Authentication Date: February 27, 2003

ENDORSEMENT AND ASSIGNMENT

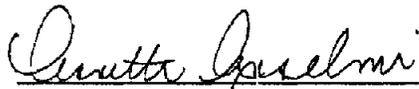
FOR VALUED RECEIVED, pay without recourse to the order of Allfirst Trust Company National Association, as bond trustee (the "Related Bond Trustee") under the Indenture of Trust dated as of February 1, 2003 between the Issuer and the Related Bond Trustee (the "Related Bond Indenture"). The Issuer hereby pledges and assigns all of its right, title and interest in and to the above Note to the Related Bond Trustee, or to its successor or successors as Related Bond Trustee under the Related Bond Indenture, for the benefit and security of the registered Owners of the Related Bonds from time to time outstanding thereunder.

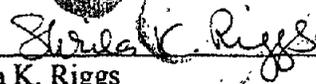
Dated as of February 27, 2003.

[SEAL]

MARYLAND HEALTH AND HIGHER  
EDUCATIONAL FACILITIES  
AUTHORITY

Attest:

  
\_\_\_\_\_  
Annette Anselmi  
Executive Director

  
\_\_\_\_\_  
Sheila K. Riggs  
Chairman

THIS NOTE HAS NOT BEEN REGISTERED UNDER  
THE SECURITIES ACT OF 1933

Master Note No. 10

\$39,999,555.56

Obligated Group Direct Obligation Master Note  
for Adventist HealthCare, Inc., Shady Grove Adventist Nursing & Rehabilitation Center, Inc.  
and Hackettstown Community Hospital

ADVENTIST HEALTHCARE, INC., a non-profit, non-stock corporation organized and existing under the laws of the State of Maryland ("AHI"), SHADY GROVE ADVENTIST NURSING & REHABILITATION CENTER, INC., a non-profit, non-stock corporation organized and existing under the laws of the State of Maryland ("Shady Grove Nursing"), and HACKETTSTOWN COMMUNITY HOSPITAL, a non-profit, non-stock corporation organized and existing under the laws of the State of New Jersey ("Hackettstown") and all other organizations which from time to time are Members of the "Obligated Group" (as hereinafter defined) (the "Members") under the terms of a Master Trust Indenture dated as of September 1, 1991, as supplemented from time to time (the "Master Indenture"), among all such parties and Allfirst Bank, formerly known as The First National Bank of Maryland, as Master Trustee (the "Master Trustee") (AHI, Shady Grove, Hackettstown and all other Members during such time as they shall be parties to the Master Indenture are referred to collectively herein as the "Obligated Group"), for value received, hereby jointly and severally agree to pay to ALLFIRST BANK, a Maryland state-chartered commercial bank, or its successors and assigns (the "Bank"), the principal sum of THIRTY-NINE MILLION NINE HUNDRED NINETY-NINE THOUSAND FIVE HUNDRED FIFTY-FIVE DOLLARS AND FIFTY-SIX CENTS (\$39,999,555.56) or so much thereof as shall be due and owing and outstanding pursuant to Section 5.1(a) and Section 5.1(b) of the Letter of Credit Agreement dated as of February 1, 2003, by and among AHI, Shady Grove, Hackettstown and the Bank (the "Letter of Credit Agreement"), together with interest on any and all principal amounts outstanding hereunder from time to time, from the date such amounts become due until payment in full, payable at the times, in the manner and at the rates per annum specified in the Letter of Credit Agreement.

The Members unconditionally agree that they will, jointly and severally, repay to the Bank the full amount of the reimbursement obligations owed by the Members, with interest thereon, in accordance with the terms of the Letter of Credit Agreement. Payment shall be duly made if received from any Member or collectively from or on behalf of all or any group of Members. Payment on either Master Note No. 9 (as defined in the Master Indenture) or this Master Note shall constitute an offset of a corresponding amount on the amount due on the other such Master Note.

The Members may withdraw from the Obligated Group under the terms and conditions set forth in the Master Indenture and subsequent to such withdrawal shall have no further obligation under this Note or the Master Indenture unless such institution once again becomes a party to the Master Indenture. Notwithstanding the foregoing, the withdrawal of any Member from the Obligated Group shall not release such Member from its obligations under the Letter of Credit Agreement and at no time shall AHI be entitled to withdraw as a member of the

Obligated Group. Additional parties may from time to time be added to the Obligated Group and upon being added each such new Member shall be jointly and severally obligated with respect to this Note.

This Master Note is issued under the Master Indenture and pursuant to the terms of the Master Indenture and is entitled to the security, rights and benefits afforded thereby.

Copies of the Master Indenture are on file at the designated corporate trust office of the Master Trustee and reference is hereby made to the Master Indenture for the provisions, among others, with respect to the nature and extent of the rights of the owners of the Notes (as such term is defined in the Master Indenture), the terms and conditions on which, and the purposes for which, the Notes are issued and the rights, duties and obligations of the Members and the Master Trustee under the Master Indenture, to all of which the owner hereof, by acceptance of this Master Note, assents.

Upon the occurrence of certain "Events of Default", as defined in the Master Indenture, the principal of all outstanding Master Notes may be declared, and thereupon shall become due and payable as provided in the Master Indenture.

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

This Master Note shall be registered on the register to be maintained by the Master Trustee for that purpose at the designated corporate trust office of the Master Trustee, and this Master Note shall be transferable only upon said register at said office by the registered owner or by his duly authorized attorney. Upon any such transfer, the Master Trustee shall authenticate and deliver, in exchange for this Master Note, a new registered Master Note or Notes registered in the name of the transferee, subject to the conditions and upon payment of the charges provided in the Master Indenture.

It is hereby certified that all conditions, acts and things required to exist, happen and be performed under the Master Indenture precedent to and in the issuance of this Master Note exist, have happened and have been performed and that the issuance, authentication and delivery of this Master Note have been duly authorized by all Members of the Obligated Group and the Obligated Group Representative has been duly authorized and has full power to execute this Note and thereby bind all Members under the terms of the Master Indenture.

This Master Note shall not be entitled to any benefit under the Master Indenture, or be valid or become obligatory for any purpose, until this Master Note shall have been authenticated by the Master Trustee by execution of the certificate of authentication hereon.

IN WITNESS WHEREOF, the Members have caused this Master Note to be executed in their name and on their behalf by the signature of the Obligated Group Representative this 27<sup>th</sup> day of February.

[SEAL]

ADVENTIST HEALTHCARE, INC., as  
Obligated Group Representative

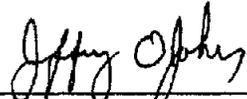
Witness or Attest:

By: W. L. Shi

By: Jack W. Wagner  
Jack W. Wagner  
Executive Vice President and Chief Financial  
Officer

This Note is one of the Notes described in the within-mentioned Master Indenture.

ALLFIRST BANK, as Master Trustee

By:   
\_\_\_\_\_  
Jeffrey O. Johns  
Corporate Trust Officer

Authentication Date: February 27, 2003

THIS NOTE HAS NOT BEEN REGISTERED UNDER  
THE SECURITIES ACT OF 1933

Master Note No. 11

\$50,000,000

Obligated Group Direct Obligation Master Note  
For Adventist HealthCare, Inc.  
(Maryland Health and Higher Educational Facilities Authority Project)

Adventist HealthCare, Inc., a non-profit, non-stock corporation organized and existing under the laws of the State of Maryland ("AHC"), Shady Grove Adventist Nursing & Rehabilitation Center, Inc., a non-profit, non-stock corporation organized and existing under the laws of the State of Maryland ("SGNC"), Hackettstown Community Hospital, a non-profit, non-stock corporation organized and existing under the laws of the State of New Jersey ("HCH") and Adventist Rehabilitation Hospital of Maryland, Inc. ("ARH") and all other organizations which from time to time are Members of the Obligated Group (the "Members") under the terms of a Master Trust Indenture dated as of September 1, 1991, as supplemented from time to time (the "Master Indenture"), among all such parties and Manufacturers and Traders Trust Company, as successor Trustee (the "Master Trustee") (AHC, SGNC, HCH, ARH and all other Members during such time as they shall be parties to the Master Indenture are referred to collectively herein as the "Obligated Group"), for value received, hereby jointly and severally agree to pay to the Maryland Health and Higher Educational Facilities Authority (the "Issuer") or its assigns the principal sum of FIFTY MILLION DOLLARS (\$50,000,000) in accordance with the Loan Agreement dated as of September 1, 2004 between the Issuer and AHC (the "2004A Loan Agreement") providing, among other things, for the loan of proceeds of the Authority's Revenue Bonds, Adventist HealthCare Issue, Series 2004A (Tax-Exempt) to AHC.

The Members unconditionally agree that they will, jointly and severally, repay to the Issuer the full \$50,000,000 principal amount of the loan made to AHC with interest thereon, in accordance with the terms of the 2004A Loan Agreement. Payment shall be duly made if received from any Member or collectively from or on behalf of all or any group of Members. Payment on either this Master Note or Master Note No. 13 (as defined in the Master Indenture) shall constitute an offset of a corresponding amount on the amount due on the other such Note.

The Members may withdraw from the Obligated Group under the terms and conditions set forth in the Master Indenture and subsequent to such withdrawal shall have no further obligation under this Master Note or the Master Indenture unless such institution once again becomes a party to the Master Indenture. At no time shall AHC be entitled to withdraw as a Member of the Obligated Group. Additional parties may from time to time be added to the Obligated Group and upon being added each such new Member shall be jointly and severally obligated with respect to this Master Note.

**SPECIMEN**

This Master Note is issued under the Master Indenture and pursuant to the terms of the Master Indenture and is entitled to the security, rights and benefits afforded thereby.

Copies of the Master Indenture are on file at the designated corporate trust office of the Master Trustee and reference is hereby made to the Master Indenture for the provisions, among others, with respect to the nature and extent of the rights of the owners of the Notes (as such term is defined in the Master Indenture), the terms and conditions on which, and the purposes for which, the Notes are issued and the rights, duties and obligations of the Members and the Master Trustee under the Master Indenture, to all of which the owner hereof, by acceptance of this Master Note, assents.

Upon the occurrence of certain "Events of Default," as defined in the Master Indenture, the principal of all outstanding Notes may be declared, and thereupon shall become due and payable as provided in the Master Indenture.

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

This Master Note shall be registered on the register to be maintained by the Master Trustee for that purpose at the designated corporate trust office of the Master Trustee, and this Master Note shall be transferable only upon said register at said office by the registered owner or by his duly authorized attorney. Upon any such transfer, the Master Trustee shall authenticate and deliver, in exchange for this Master Note, a new registered Master Note or Notes registered in the name of the transferee, subject to the conditions and upon payment of the charges provided in the Master Indenture.

It is hereby certified that all conditions, acts and things required to exist, happen and be performed under the Master Indenture precedent to and in the issuance of this Master Note exist, have happened and have been performed and that the issuance, authentication and delivery of this Master Note have been duly authorized by all Members of the Obligated Group and the Obligated Group Representative has been duly authorized and has full power to execute this Master Note and thereby bind all Members under the terms of the Master Indenture.

This Master Note shall not be entitled to any benefit under the Master Indenture, or be valid or become obligatory for any purpose, until this Master Note shall have been authenticated by the Master Trustee by execution of the certificate of authentication hereon.

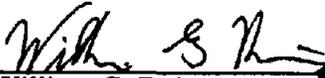
**SPECIMEN**

IN WITNESS WHEREOF, the Members have caused this Master Note to be executed this 14th day of September, 2004.

[SEAL]

ADVENTIST HEALTHCARE, INC., as  
Obligated Group Representative

Attest:

  
\_\_\_\_\_  
William G. Robertson  
President and Chief Executive Officer

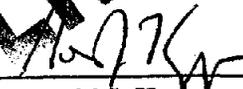
  
\_\_\_\_\_  
Jack W. Wagner  
Executive Vice President and  
Chief Financial Officer

**SPECIMEN**

This Master Note is one of the Notes described in the within-mentioned Master Indenture.

**SPECIMEN**

MANUFACTURERS AND TRADERS  
TRUST COMPANY, as Master Trustee



Ronald J. Kruppa  
Vice President

Authentication Date: September 14, 2004

THIS NOTE HAS NOT BEEN REGISTERED UNDER  
THE SECURITIES ACT OF 1933

Master Note No. 12

\$35,985,000

Obligated Group Direct Obligation Master Note  
For Adventist HealthCare, Inc.  
(Maryland Health and Higher Educational Facilities Authority Project)

Adventist HealthCare, Inc., a non-profit, non-stock corporation organized and existing under the laws of the State of Maryland ("AHC"), Shady Grove Adventist Nursing & Rehabilitation Center, Inc., a non-profit, non-stock corporation organized and existing under the laws of the State of Maryland ("SGNC"), Hackettstown Community Hospital, a non-profit, non-stock corporation organized and existing under the laws of the State of New Jersey ("HCH") and Adventist Rehabilitation Hospital of Maryland, Inc. ("ARH") and all other organizations which from time to time are Members of the Obligated Group (the "Members") under the terms of a Master Trust Indenture dated as of September 1, 1991, as supplemented from time to time (the "Master Indenture"), among all such parties and Manufacturers and Traders Trust Company, as successor Trustee (the "Master Trustee") (AHC, SGNC, HCH, ARH and all other Members during such time as they shall be parties to the Master Indenture are referred to collectively herein as the "Obligated Group"), for value received, hereby jointly and severally agree to pay to the Maryland Health and Higher Educational Facilities Authority (the "Issuer") or its assigns the principal sum of THIRTY-FIVE MILLION NINE HUNDRED EIGHTY-FIVE THOUSAND DOLLARS (\$35,985,000) in accordance with the Loan Agreement dated as of September 1, 2004 between the Issuer and AHC (the "2004B Loan Agreement") providing, among other things, for the loan of proceeds of the Authority's Refunding Revenue Bonds, Adventist HealthCare Issue, Series 2004B (Taxable) to AHC.

The Members unconditionally agree that they will, jointly and severally, repay to the Issuer the full \$35,985,000 principal amount of the loan made to AHC with interest thereon, in accordance with the terms of the 2004B Loan Agreement. Payment shall be duly made if received from any Member or collectively from or on behalf of all or any group of Members. Payment on either this Master Note or Master Note No. 14 (as defined in the Master Indenture) shall constitute an offset of a corresponding amount on the amount due on the other such Note.

The Members may withdraw from the Obligated Group under the terms and conditions set forth in the Master Indenture and subsequent to such withdrawal shall have no further obligation under this Master Note or the Master Indenture unless such institution once again becomes a party to the Master Indenture. At no time shall AHC be entitled to withdraw as a Member of the Obligated Group. Additional parties may from time to time be added to the Obligated Group and upon being added each such new Member shall be jointly and severally obligated with respect to this Master Note.

**SPECIMEN**

This Master Note is issued under the Master Indenture and pursuant to the terms of the Master Indenture and is entitled to the security, rights and benefits afforded thereby.

Copies of the Master Indenture are on file at the designated corporate trust office of the Master Trustee and reference is hereby made to the Master Indenture for the provisions, among others, with respect to the nature and extent of the rights of the owners of the Notes (as such term is defined in the Master Indenture), the terms and conditions on which, and the purposes for which, the Notes are issued and the rights, duties and obligations of the Members and the Master Trustee under the Master Indenture, to all of which the owner hereof, by acceptance of this Master Note, assents.

Upon the occurrence of certain "Events of Default," as defined in the Master Indenture, the principal of all outstanding Notes may be declared, and thereupon shall become due and payable as provided in the Master Indenture.

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

This Master Note shall be registered on the register to be maintained by the Master Trustee for that purpose at the designated corporate trust office of the Master Trustee, and this Master Note shall be transferable only upon said register at said office by the registered owner or by his duly authorized attorney. Upon any such transfer, the Master Trustee shall authenticate and deliver, in exchange for this Master Note, a new registered Master Note or Notes registered in the name of the transferee, subject to the conditions and upon payment of the charges provided in the Master Indenture.

It is hereby certified that all conditions, acts and things required to exist, happen and be performed under the Master Indenture precedent to and in the issuance of this Master Note exist, have happened and have been performed and that the issuance, authentication and delivery of this Master Note have been duly authorized by all Members of the Obligated Group and the Obligated Group Representative has been duly authorized and has full power to execute this Master Note and thereby bind all Members under the terms of the Master Indenture.

This Master Note shall not be entitled to any benefit under the Master Indenture, or be valid or become obligatory for any purpose, until this Master Note shall have been authenticated by the Master Trustee by execution of the certificate of authentication hereon.

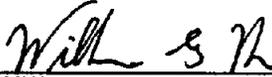
**SPECIMEN**

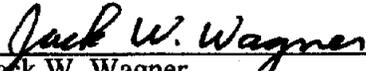
IN WITNESS WHEREOF, the Members have caused this Master Note to be executed as of this 14<sup>th</sup> day of September, 2004.

[SEAL]

ADVENTIST HEALTHCARE, INC., as  
Obliged Party Representative

Attest:

  
\_\_\_\_\_  
William G. Robertson  
President and Chief Executive Officer

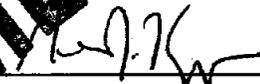
  
\_\_\_\_\_  
Jack W. Wagner  
Executive Vice President and  
Chief Financial Officer

**SPECIMEN**

This Master Note is one of the Notes described in the within-mentioned Master Indenture.

MANUFACTURERS AND TRADERS  
TRUST COMPANY, as Master Trustee

**SPECIMEN**

  
\_\_\_\_\_  
Ronald J. Kruppa  
Vice President

Authentication Date: September 14, 2004

THIS NOTE HAS NOT BEEN REGISTERED UNDER  
THE SECURITIES ACT OF 1933

Master Note No. 13

\$50,547,946

Obligated Group Direct Obligation Master Note  
for Adventist HealthCare, Inc., Shady Grove Adventist Nursing & Rehabilitation Center, Inc.,  
Hackettstown Community Hospital and Adventist Rehabilitation Hospital of Maryland, Inc.

ADVENTIST HEALTHCARE, INC., a non-profit, non-stock corporation organized and existing under the laws of the State of Maryland ("AHI"), SHADY GROVE ADVENTIST NURSING & REHABILITATION CENTER, INC., a non-profit, non-stock corporation organized and existing under the laws of the State of Maryland ("Shady Grove Nursing"), HACKETTSTOWN COMMUNITY HOSPITAL, a non-profit, non-stock corporation organized and existing under the laws of the State of New Jersey ("Hackettstown"), and ADVENTIST REHABILITATION HOSPITAL OF MARYLAND, INC., a non-profit, non-stock corporation organized and existing under the laws of the State of Maryland ("Adventist Rehabilitation"), and all other organizations which from time to time are Members of the "Obligated Group" (as hereinafter defined) (the "Members") under the terms of a Master Trust Indenture dated as of September 1, 1991, as supplemented from time to time (the "Master Indenture"), among all such parties and Manufacturers and Traders Trust Company, formerly known as The First National Bank of Maryland, as Master Trustee (the "Master Trustee") (AHI, Shady Grove, Hackettstown, Adventist Rehabilitation and all other Members during such time as they shall be parties to the Master Indenture are referred to collectively herein as the "Obligated Group"), for value received, hereby jointly and severally agree to pay to MANUFACTURERS AND TRADERS TRUST COMPANY, a New York banking corporation, or its successors and assigns (the "Bank"), the principal sum of \$50,547,946 or so much thereof as shall be due and owing and outstanding pursuant to Section 5.1(a) and Section 5.1(b) of the Letter of Credit Agreement dated as of September 1, 2004, by and among AHI, Shady Grove, Hackettstown, Adventist Rehabilitation and the Bank (the "Letter of Credit Agreement"), together with interest on any and all principal amounts outstanding hereunder from time to time, from the date such amounts become due until payment in full, payable at the times, in the manner and at the rates per annum specified in the Letter of Credit Agreement.

The Members unconditionally agree that they will, jointly and severally, repay to the Bank the full amount of the reimbursement obligations owed by the Members, with interest thereon, in accordance with the terms of the Letter of Credit Agreement. Payment shall be duly made if received from any Member or collectively from or on behalf of all or any group of Members. Payment on either Master Note No. 11 (as defined in the Master Indenture) or this Master Note shall constitute an offset of a corresponding amount on the amount due on the other such Master Note.

The Members may withdraw from the Obligated Group under the terms and conditions set forth in the Master Indenture and subsequent to such withdrawal shall have no further obligation under this Note or the Master Indenture unless such institution once again becomes a party to the Master Indenture. Notwithstanding the foregoing, the withdrawal of any

**SPECIMEN**

Member from the Obligated Group shall not release such Member from its obligations under the Letter of Credit Agreement and at no time shall AHI be entitled to withdraw as a member of the Obligated Group. Additional parties may from time to time be added to the Obligated Group and upon being added each such new Member shall be jointly and severally obligated with respect to this Note.

This Master Note is issued under the Master Indenture and pursuant to the terms of the Master Indenture and is entitled to the security, rights and benefits afforded thereby.

Copies of the Master Indenture are on file at the designated corporate trust office of the Master Trustee and reference is hereby made to the Master Indenture for the provisions, among others, with respect to the nature and extent of the rights of the owners of the Notes (as such term is defined in the Master Indenture), the terms and conditions on which, and the purposes for which, the Notes are issued and the rights, duties and obligations of the Members and the Master Trustee under the Master Indenture, to all of which the owner hereof, by acceptance of this Master Note, assents.

Upon the occurrence of certain "Events of Default", as defined in the Master Indenture, the principal of all outstanding Master Notes may be declared, and thereupon shall become due and payable as provided in the Master Indenture.

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

This Master Note shall be registered on the register to be maintained by the Master Trustee for that purpose at the designated corporate trust office of the Master Trustee, and this Master Note shall be transferable only upon said register at said office by the registered owner or by his duly authorized attorney. Upon any such transfer, the Master Trustee shall authenticate and deliver, in exchange for this Master Note, a new registered Master Note or Notes registered in the name of the transferee, subject to the conditions and upon payment of the charges provided in the Master Indenture.

It is hereby certified that all conditions, acts and things required to exist, happen and be performed under the Master Indenture precedent to and in the issuance of this Master Note exist, have happened and have been performed and that the issuance, authentication and delivery of this Master Note have been duly authorized by all Members of the Obligated Group and the Obligated Group Representative has been duly authorized and has full power to execute this Note and thereby bind all Members under the terms of the Master Indenture.

This Master Note shall not be entitled to any benefit under the Master Indenture, or be valid or become obligatory for any purpose, until this Master Note shall have been authenticated by the Master Trustee by execution of the certificate of authentication hereon.

**SPECIMEN**  
2

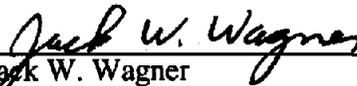
IN WITNESS WHEREOF, the Members have caused this Master Note to be executed this 14th day of September, 2004.

[SEAL]

ADVENTIST HEALTHCARE, INC., as  
Authorized Representative

Attest:

  
\_\_\_\_\_  
William G. Roberts  
President and Chief Executive Officer

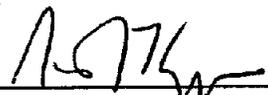
  
\_\_\_\_\_  
By: Jack W. Wagner  
Executive Vice President and  
Chief Financial Officer

**SPECIMEN**

This Master Note is one of the Notes described in the within-mentioned Master Indenture.

**SPECIMEN**

MANUFACTURERS AND TRADERS  
COMPANY, as Master Trustee

By: 

Ronald J. Kruppa  
Vice President

Authentication Date: September 14, 2004

THIS NOTE HAS NOT BEEN REGISTERED UNDER  
THE SECURITIES ACT OF 1933

Master Note No. 14

\$36,379,357

Obligated Group Direct Obligation Master Note  
for Adventist HealthCare, Inc., Shady Grove Adventist Nursing & Rehabilitation Center, Inc.,  
Hackettstown Community Hospital and Adventist Rehabilitation Hospital of Maryland, Inc.

ADVENTIST HEALTHCARE, INC., a non-profit, non-stock corporation organized and existing under the laws of the State of Maryland ("AHI"), SHADY GROVE ADVENTIST NURSING & REHABILITATION CENTER, INC., a non-profit, non-stock corporation organized and existing under the laws of the State of Maryland ("Shady Grove Nursing"), HACKETTSTOWN COMMUNITY HOSPITAL, a non-profit, non-stock corporation organized and existing under the laws of the State of New Jersey ("Hackettstown"), and ADVENTIST REHABILITATION HOSPITAL OF MARYLAND, INC., a non-profit, non-stock corporation organized and existing under the laws of the State of Maryland ("ARH"), and all other organizations which from time to time are Members of the "Obligated Group" (as hereinafter defined) (the "Members") under the terms of a Master Trust Indenture dated as of September 1, 1991, as supplemented from time to time (the "Master Indenture"), among all such parties and Manufacturers and Traders Trust Company, formerly known as The First National Bank of Maryland, as Master Trustee (the "Master Trustee") (AHI, Shady Grove, Hackettstown, ARH and all other Members during such time as they shall be parties to the Master Indenture are referred to collectively herein as the "Obligated Group"), for value received, hereby jointly and severally agree to pay to LASALLE BANK NATIONAL ASSOCIATION, a national banking association, or its successors and assigns (the "Bank"), the principal sum of Thirty-Six Million Three Hundred Seventy-Nine Thousand Three Hundred Fifty-Seven Dollars (\$36,379,357) or so much thereof as shall be due and owing and outstanding pursuant to Section 5.1(a) and Section 5.1(b) of the Letter of Credit Agreement dated as of September 1, 2004, by and among AHI, Shady Grove, Hackettstown, ARH and the Bank (the "Letter of Credit Agreement"), together with interest on any and all principal amounts outstanding hereunder from time to time, from the date such amounts become due until payment in full, payable at the times, in the manner and at the rates per annum specified in the Letter of Credit Agreement.

The Members unconditionally agree that they will, jointly and severally, repay to the Bank the full amount of the reimbursement obligations owed by the Members, with interest thereon, in accordance with the terms of the Letter of Credit Agreement. Payment shall be duly made if received from any Member or collectively from or on behalf of all or any group of Members. Payment on either Master Note No. 12 (as defined in the Master Indenture) or this Master Note shall constitute an offset of a corresponding amount on the amount due on the other such Master Note.

The Members may withdraw from the Obligated Group under the terms and conditions set forth in the Master Indenture and subsequent to such withdrawal shall have no further obligation under this Note or the Master Indenture unless such institution once again becomes a party to the Master Indenture. Notwithstanding the foregoing, the withdrawal of any

**SPECIMEN**

Member from the Obligated Group shall not release such Member from its obligations under the Letter of Credit Agreement and at no time shall AHI be entitled to withdraw as a member of the Obligated Group. Additional parties may from time to time be added to the Obligated Group and upon being added each such new Member shall be jointly and severally obligated with respect to this Note.

This Master Note is issued under the Master Indenture and pursuant to the terms of the Master Indenture and is entitled to the security, rights and benefits afforded thereby.

Copies of the Master Indenture are on file at the designated corporate trust office of the Master Trustee and reference is hereby made to the Master Indenture for the provisions, among others, with respect to the nature and extent of the rights of the owners of the Notes (as such term is defined in the Master Indenture), the terms and conditions on which, and the purposes for which, the Notes are issued and the rights, duties and obligations of the Members and the Master Trustee under the Master Indenture, to all of which the owner hereof, by acceptance of this Master Note, assents.

Upon the occurrence of certain "Events of Default", as defined in the Master Indenture, the principal of all outstanding Master Notes may be declared, and thereupon shall become due and payable as provided in the Master Indenture.

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

This Master Note shall be registered on the register to be maintained by the Master Trustee for that purpose at the designated corporate trust office of the Master Trustee, and this Master Note shall be transferable only upon said register at said office by the registered owner or by his duly authorized attorney. Upon any such transfer, the Master Trustee shall authenticate and deliver, in exchange for this Master Note, a new registered Master Note or Notes registered in the name of the transferee, subject to the conditions and upon payment of the charges provided in the Master Indenture.

It is hereby certified that all conditions, acts and things required to exist, happen and be performed under the Master Indenture precedent to and in the issuance of this Master Note exist, have happened and have been performed and that the issuance, authentication and delivery of this Master Note have been duly authorized by all Members of the Obligated Group and the Obligated Group Representative has been duly authorized and has full power to execute this Note and thereby bind all Members under the terms of the Master Indenture.

This Master Note shall not be entitled to any benefit under the Master Indenture, or be valid or become obligatory for any purpose, until this Master Note shall have been authenticated by the Master Trustee by execution of the certificate of authentication hereon.

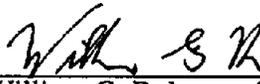
**SPECIMEN**

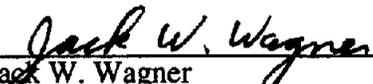
IN WITNESS WHEREOF, the Members have caused this Master Note to be executed this 14th day of September, 2004.

[SEAL]

ADVENTIS HEALTHCARE, INC., as  
Obligated Group Representative

Attest:

  
\_\_\_\_\_  
William G. Robertson  
President and Chief Executive Officer

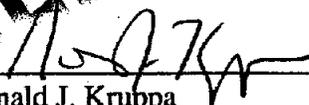
  
\_\_\_\_\_  
Jack W. Wagner  
Executive Vice President and  
Chief Financial Officer

**SPECIMEN**

This Master Note is one of the Notes described in the within-mentioned Master Indenture.

MANUFACTURERS AND TRADERS  
TRUST COMPANY, as Master Trustee

**SPECIMEN**

  
\_\_\_\_\_  
Ronald J. Kruppa  
Vice President

Authentication Date: September 14, 2004

THIS NOTE HAS NOT BEEN REGISTERED UNDER  
THE SECURITIES ACT OF 1933

Master Note No. 16

\$78,000,000

Master Note securing the  
Maryland Health and Higher Educational Facilities Authority  
Revenue Bonds  
Adventist HealthCare Issue  
Series 2005A

Adventist HealthCare, Inc., a non-profit, non-stock corporation organized and existing under the laws of the State of Maryland ("AHC"), Hackettstown Community Hospital, a non-profit, non-stock corporation organized and existing under the laws of the State of New Jersey ("HCH") and Adventist Rehabilitation Hospital of Maryland, Inc. ("ARH") and all other organizations which from time to time are Obligated Group Members under and as defined in the Amended and Restated Master Trust Indenture dated as of February 1, 2003 between AHC, HCH and ARH and Manufacturers and Traders Trust Company (the "Master Trustee"), as amended and supplemented from time to time (the "Master Indenture"), for value received, hereby jointly and severally agree to pay to the Maryland Health and Higher Educational Facilities Authority (the "Issuer") or its assigns the principal sum of SEVENTY-EIGHT MILLION DOLLARS (\$78,000,000) in accordance with the Loan Agreement dated as of December 1, 2005 between the Issuer and AHC (the "2005A Loan Agreement") providing, among other things, for the loan of proceeds of the Authority's Revenue Bonds, Adventist HealthCare Issue, Series 2005A to AHC (the "Loan").

The Obligated Group Members unconditionally agree that they will, jointly and severally, repay to the Issuer the full \$78,000,000 principal amount of the Loan with interest thereon, in accordance with the terms of the 2005A Loan Agreement. Payment shall be duly made if received from any Obligated Group Member or collectively from or on behalf of all or any group of Obligated Group Members. Payment on either this Master Note or Master Note No. 18 (as defined in the Master Indenture) shall constitute an offset of a corresponding amount on the amount due on the other such Note.

The Obligated Group Members may withdraw from the Obligated Group (as defined in the Master Indenture) under the terms and conditions set forth in the Master Indenture and subsequent to such withdrawal shall have no further obligation under this Master Note or the Master Indenture unless such institution once again becomes a party to the Master Indenture. At no time shall AHC be entitled to withdraw from the Obligated Group. Additional parties may from time to time be added to the Obligated Group and upon being added each such new Member shall be jointly and severally obligated with respect to this Master Note.

This Master Note is issued under the Master Indenture and pursuant to the terms of the Master Indenture and is entitled to the security, rights and benefits afforded thereby.

Copies of the Master Indenture are on file at the designated corporate trust office of the Master Trustee and reference is hereby made to the Master Indenture for the provisions, among others, with respect to the nature and extent of the rights of the owners of the Obligations (as such term is defined in the Master Indenture), the terms and conditions on which, and the purposes for which, the Obligations are issued and the rights, duties and obligations of the Members and the Master Trustee under the Master Indenture, to all of which the owner hereof, by acceptance of this Master Note, assents.

Upon the occurrence of certain "Events of Default," as defined in the Master Indenture, the principal of all outstanding Obligations may be declared, and thereupon shall become due and payable as provided in the Master Indenture.

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

This Master Note shall be registered on the register maintained by the Master Trustee for that purpose at the designated corporate trust office of the Master Trustee, and this Master Note shall be transferable only upon said register at said office by the registered owner or by his duly authorized attorney. Upon any such transfer, the Master Trustee shall authenticate and deliver, in exchange for this Master Note, a new registered Master Note or Notes registered in the name of the transferee, subject to the conditions and upon payment of the charges provided in the Master Indenture.

It is hereby certified that all conditions, acts and things required to exist, happen and be performed under the Master Indenture precedent to and in the issuance of this Master Note exist, have happened and have been performed and that the issuance, authentication and delivery of this Master Note have been duly authorized by all the Obligated Group Members and the Obligated Group Representative has been duly authorized and has full power to execute this Master Note and thereby bind all Obligated Group Members under the terms of the Master Indenture.

This Master Note shall not be entitled to any benefit under the Master Indenture, or be valid or become obligatory for any purpose, until this Master Note shall have been authenticated by the Master Trustee by execution of the certificate of authentication hereon.

IN WITNESS WHEREOF, the Members have caused this Master Note to be executed this 20<sup>th</sup> day of December, 2005.

[SEAL]

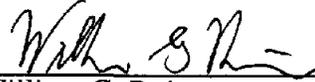
ADVENTIST HEALTHCARE, INC., as  
Obligated Group Representative

Attest:



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James G. Lee  
Senior Vice President and  
Chief Financial Officer

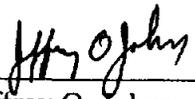
By: 

---

William G. Robertson  
President and Chief Executive Officer

This Master Note is one of the Notes described in the within-mentioned Master Indenture.

MANUFACTURERS AND TRADERS  
TRUST COMPANY, as Master Trustee

By:   
Jeffrey O. Johns  
Corporate Trust Officer

Authentication Date: December 20, 2005

THIS NOTE HAS NOT BEEN REGISTERED UNDER  
THE SECURITIES ACT OF 1933

Master Note No. 17

\$64,590,000

Master Note securing the  
Maryland Health and Higher Educational Facilities Authority  
Refunding Revenue Bonds  
Adventist HealthCare Issue  
Series 2005B

Adventist HealthCare, Inc., a non-profit, non-stock corporation organized and existing under the laws of the State of Maryland ("AHC"), Hackettstown Community Hospital, a non-profit, non-stock corporation organized and existing under the laws of the State of New Jersey ("HCH") and Adventist Rehabilitation Hospital of Maryland, Inc. ("ARH") and all other organizations which from time to time are Obligated Group Members under and as defined in the Amended and Restated Master Trust Indenture dated as of February 1, 2003 between AHC, HCH and ARH and Manufacturers and Traders Trust Company (the "Master Trustee"), as amended and supplemented from time to time (the "Master Indenture"), for value received, hereby jointly and severally agree to pay to the Maryland Health and Higher Educational Facilities Authority (the "Issuer") or its assigns the principal sum of SIXTY-FOUR MILLION FIVE HUNDRED NINETY THOUSAND (\$64,590,000) in accordance with the Loan Agreement dated as of December 1, 2005 between the Issuer and AHC (the "2005B Loan Agreement") providing, among other things, for the loan of proceeds of the Authority's Refunding Revenue Bonds, Adventist HealthCare Issue, Series 2005B to AHC (the "Loan").

The Obligated Group Members unconditionally agree that they will, jointly and severally, repay to the Issuer the full \$64,590,000 principal amount of the Loan with interest thereon, in accordance with the terms of the 2005B Loan Agreement. Payment shall be duly made if received from any Obligated Group Member or collectively from or on behalf of all or any group of Obligated Group Members. Payment on either this Master Note or Master Note No. 19 (as defined in the Master Indenture) shall constitute an offset of a corresponding amount on the amount due on the other such Note.

The Obligated Group Members may withdraw from the Obligated Group (as defined in the Master Indenture) under the terms and conditions set forth in the Master Indenture and subsequent to such withdrawal shall have no further obligation under this Master Note or the Master Indenture unless such institution once again becomes a party to the Master Indenture. At no time shall AHC be entitled to withdraw from the Obligated Group. Additional parties may from time to time be added to the Obligated Group and upon being added each such new Member shall be jointly and severally obligated with respect to this Master Note.

This Master Note is issued under the Master Indenture and pursuant to the terms of the Master Indenture and is entitled to the security, rights and benefits afforded thereby.

Copies of the Master Indenture are on file at the designated corporate trust office of the Master Trustee and reference is hereby made to the Master Indenture for the provisions, among others, with respect to the nature and extent of the rights of the owners of the Obligations (as such term is defined in the Master Indenture), the terms and conditions on which, and the purposes for which, the Obligations are issued and the rights, duties and obligations of the Members and the Master Trustee under the Master Indenture, to all of which the owner hereof, by acceptance of this Master Note, assents.

Upon the occurrence of certain "Events of Default," as defined in the Master Indenture, the principal of all outstanding Obligations may be declared, and thereupon shall become due and payable as provided in the Master Indenture.

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

This Master Note shall be registered on the register maintained by the Master Trustee for that purpose at the designated corporate trust office of the Master Trustee, and this Master Note shall be transferable only upon said register at said office by the registered owner or by his duly authorized attorney. Upon any such transfer, the Master Trustee shall authenticate and deliver, in exchange for this Master Note, a new registered Master Note or Notes registered in the name of the transferee, subject to the conditions and upon payment of the charges provided in the Master Indenture.

It is hereby certified that all conditions, acts and things required to exist, happen and be performed under the Master Indenture precedent to and in the issuance of this Master Note exist, have happened and have been performed and that the issuance, authentication and delivery of this Master Note have been duly authorized by all the Obligated Group Members and the Obligated Group Representative has been duly authorized and has full power to execute this Master Note and thereby bind all Obligated Group Members under the terms of the Master Indenture.

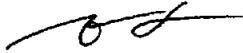
This Master Note shall not be entitled to any benefit under the Master Indenture, or be valid or become obligatory for any purpose, until this Master Note shall have been authenticated by the Master Trustee by execution of the certificate of authentication hereon.

IN WITNESS WHEREOF, the Members have caused this Master Note to be executed this 20th day of December, 2005.

[SEAL]

ADVENTIST HEALTHCARE, INC., as  
Obligated Group Representative

Attest:

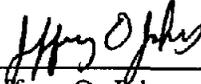


\_\_\_\_\_  
James G. Lee  
Senior Vice President and Chief  
Financial Officer

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

This Master Note is one of the Notes described in the within-mentioned Master Indenture.

MANUFACTURERS AND TRADERS  
TRUST COMPANY, as Master Trustee

By:   
\_\_\_\_\_  
Jeffrey O. Johns  
Corporate Trust Officer

Authentication Date: December 20, 2005

THIS NOTE HAS NOT BEEN REGISTERED UNDER  
THE SECURITIES ACT OF 1933

Master Note No. 18

\$78,854,795

Obligated Group Direct Obligation Master Note  
for Adventist HealthCare, Inc., Hackettstown Community Hospital and  
Adventist Rehabilitation Hospital of Maryland, Inc.

ADVENTIST HEALTHCARE, INC., a non-profit, non-stock corporation organized and existing under the laws of the State of Maryland ("AHI"), HACKETTSTOWN COMMUNITY HOSPITAL, a non-profit, non-stock corporation organized and existing under the laws of the State of New Jersey ("Hackettstown"), and ADVENTIST REHABILITATION HOSPITAL OF MARYLAND, INC., a non-profit, non-stock corporation organized and existing under the laws of the State of Maryland ("ARH"), and all other organizations which from time to time are Members of the "Obligated Group" (as hereinafter defined) (the "Members") under the terms of an Amended and Restated Master Trust Indenture dated as of February 1, 2003, as supplemented from time to time (the "Master Indenture"), among all such parties and Manufacturers and Traders Trust Company, as Master Trustee (the "Master Trustee") (AHI, Hackettstown, ARH and all other Members during such time as they shall be parties to the Master Indenture are referred to collectively herein as the "Obligated Group"), for value received, hereby jointly and severally agree to pay to LASALLE BANK NATIONAL ASSOCIATION, a national banking association, or its successors and assigns (the "Bank"), the principal sum of Seventy-Eight Million Eight Hundred Fifty-Four Thousand Seven Hundred Ninety-Five Dollars (\$78,854,795) or so much thereof as shall be due and owing and outstanding pursuant to Section 5.1(a) and Section 5.1(b) of the Letter of Credit Agreement dated as of December 1, 2005, by and among AHI, Hackettstown, ARH and the Bank (the "Letter of Credit Agreement"), together with interest on any and all principal amounts outstanding hereunder from time to time, from the date such amounts become due until payment in full, payable at the times, in the manner and at the rates per annum specified in the Letter of Credit Agreement.

The Members unconditionally agree that they will, jointly and severally, repay to the Bank the full amount of the reimbursement obligations owed by the Members, with interest thereon, in accordance with the terms of the Letter of Credit Agreement. Payment shall be duly made if received from any Member or collectively from or on behalf of all or any group of Members. Payment on either Master Note No. 18 (as defined in the Master Indenture) or this Master Note shall constitute an offset of a corresponding amount on the amount due on the other such Master Note.

The Members may withdraw from the Obligated Group under the terms and conditions set forth in the Master Indenture and subsequent to such withdrawal shall have no further obligation under this Note or the Master Indenture unless such institution once again becomes a party to the Master Indenture. Notwithstanding the foregoing, the withdrawal of any Member from the Obligated Group shall not release such Member from its obligations under the Letter of Credit Agreement and at no time shall AHI be entitled to withdraw as a member of the Obligated Group. Additional parties may from time to time be added to the Obligated Group and

upon being added each such new Member shall be jointly and severally obligated with respect to this Note.

This Master Note is issued under the Master Indenture and pursuant to the terms of the Master Indenture and is entitled to the security, rights and benefits afforded thereby.

Copies of the Master Indenture are on file at the designated corporate trust office of the Master Trustee and reference is hereby made to the Master Indenture for the provisions, among others, with respect to the nature and extent of the rights of the owners of the Notes (as such term is defined in the Master Indenture), the terms and conditions on which, and the purposes for which, the Notes are issued and the rights, duties and obligations of the Members and the Master Trustee under the Master Indenture, to all of which the owner hereof, by acceptance of this Master Note, assents.

Upon the occurrence of certain "Events of Default", as defined in the Master Indenture, the principal of all outstanding Master Notes may be declared, and thereupon shall become due and payable as provided in the Master Indenture.

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

This Master Note shall be registered on the register to be maintained by the Master Trustee for that purpose at the designated corporate trust office of the Master Trustee, and this Master Note shall be transferable only upon said register at said office by the registered owner or by his duly authorized attorney. Upon any such transfer, the Master Trustee shall authenticate and deliver, in exchange for this Master Note, a new registered Master Note or Notes registered in the name of the transferee, subject to the conditions and upon payment of the charges provided in the Master Indenture.

It is hereby certified that all conditions, acts and things required to exist, happen and be performed under the Master Indenture precedent to and in the issuance of this Master Note exist, have happened and have been performed and that the issuance, authentication and delivery of this Master Note have been duly authorized by all Members of the Obligated Group and the Obligated Group Representative has been duly authorized and has full power to execute this Note and thereby bind all Members under the terms of the Master Indenture.

This Master Note shall not be entitled to any benefit under the Master Indenture, or be valid or become obligatory for any purpose, until this Master Note shall have been authenticated by the Master Trustee by execution of the certificate of authentication hereon.

IN WITNESS WHEREOF, the Members have caused this Master Note to be executed in their name and on their behalf by the signature of the Obligated Group Representative this 20th day of December, 2005.

[SEAL]

ADVENTIST HEALTHCARE, INC., as  
Obligated Group Representative

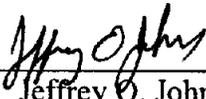
Witness or Attest:

By: Maurice J. Dymond

By:   
James G. Lee  
Senior Vice President and Chief Financial  
Officer

This Note is one of the Notes described in the within mentioned Master Indenture.

MANUFACTURERS AND TRADERS TRUST  
COMPANY, as Master Trustee

By:   
Name: Jeffrey O. Johns  
Title: Vice President

Authentication Date: December 20, 2005

WFIN260087.5

THIS NOTE HAS NOT BEEN REGISTERED UNDER  
THE SECURITIES ACT OF 1933

Master Note No. 19

\$65,297,836

Obligated Group Direct Obligation Master Note  
for Adventist HealthCare, Inc., Hackettstown Community Hospital  
and Adventist Rehabilitation Hospital of Maryland, Inc.

ADVENTIST HEALTHCARE, INC., a non-profit, non-stock corporation organized and existing under the laws of the State of Maryland ("AHI"), HACKETTSTOWN COMMUNITY HOSPITAL, a non-profit, non-stock corporation organized and existing under the laws of the State of New Jersey ("Hackettstown"), and ADVENTIST REHABILITATION HOSPITAL OF MARYLAND, INC., a non-profit, non-stock corporation organized and existing under the laws of the State of Maryland ("Adventist Rehabilitation"), and all other organizations which from time to time are Members of the "Obligated Group" (as hereinafter defined) (the "Members") under the terms of an Amended and Restated Master Trust Indenture dated as of February 1, 2003, as supplemented from time to time (the "Master Indenture"), among all such parties and Manufacturers and Traders Trust Company, as Master Trustee (the "Master Trustee") (AHI, Hackettstown, Adventist Rehabilitation and all other Members during such time as they shall be parties to the Master Indenture are referred to collectively herein as the "Obligated Group"), for value received, hereby jointly and severally agree to pay to MANUFACTURERS AND TRADERS TRUST COMPANY, a New York banking corporation, or its successors and assigns (the "Bank"), the principal sum of \$65,297,836 or so much thereof as shall be due and owing and outstanding pursuant to Section 5.1(a) and Section 5.1(b) of the Letter of Credit Agreement dated as of December 1, 2005, by and among AHI, Hackettstown, Adventist Rehabilitation and the Bank (the "Letter of Credit Agreement"), together with interest on any and all principal amounts outstanding hereunder from time to time, from the date such amounts become due until payment in full, payable at the times, in the manner and at the rates per annum specified in the Letter of Credit Agreement.

The Members unconditionally agree that they will, jointly and severally, repay to the Bank the full amount of the reimbursement obligations owed by the Members, with interest thereon, in accordance with the terms of the Letter of Credit Agreement. Payment shall be duly made if received from any Member or collectively from or on behalf of all or any group of Members. Payment on either Master Note No. 17 (as defined in the Master Indenture) or this Master Note shall constitute an offset of a corresponding amount on the amount due on the other such Master Note.

The Members may withdraw from the Obligated Group under the terms and conditions set forth in the Master Indenture and subsequent to such withdrawal shall have no further obligation under this Master Note or the Master Indenture unless such institution once again becomes a party to the Master Indenture. Notwithstanding the foregoing, the withdrawal of any Member from the Obligated Group shall not release such Member from its obligations under the Letter of Credit Agreement and at no time shall AHI be entitled to withdraw as a member of the Obligated Group. Additional parties may from time to time be added to the

Obligated Group and upon being added each such new Member shall be jointly and severally obligated with respect to this Master Note.

This Master Note is issued under the Master Indenture and pursuant to the terms of the Master Indenture and is entitled to the security, rights and benefits afforded thereby.

Copies of the Master Indenture are on file at the designated corporate trust office of the Master Trustee and reference is hereby made to the Master Indenture for the provisions, among others, with respect to the nature and extent of the rights of the owners of the Obligations (as such term is defined in the Master Indenture), the terms and conditions on which, and the purposes for which, the Obligations are issued and the rights, duties and obligations of the Members and the Master Trustee under the Master Indenture, to all of which the owner hereof, by acceptance of this Master Note, assents.

Upon the occurrence of certain "Events of Default", as defined in the Master Indenture, the principal of all outstanding Master Notes may be declared, and thereupon shall become due and payable as provided in the Master Indenture.

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

This Master Note shall be registered on the register to be maintained by the Master Trustee for that purpose at the designated corporate trust office of the Master Trustee, and this Master Note shall be transferable only upon said register at said office by the registered owner or by his duly authorized attorney. Upon any such transfer, the Master Trustee shall authenticate and deliver, in exchange for this Master Note, a new registered Master Note or Notes registered in the name of the transferee, subject to the conditions and upon payment of the charges provided in the Master Indenture.

It is hereby certified that all conditions, acts and things required to exist, happen and be performed under the Master Indenture precedent to and in the issuance of this Master Note exist, have happened and have been performed and that the issuance, authentication and delivery of this Master Note have been duly authorized by all Members of the Obligated Group and the Obligated Group Representative has been duly authorized and has full power to execute this Master Note and thereby bind all Members under the terms of the Master Indenture.

This Master Note shall not be entitled to any benefit under the Master Indenture, or be valid or become obligatory for any purpose, until this Master Note shall have been authenticated by the Master Trustee by execution of the certificate of authentication hereon.

IN WITNESS WHEREOF, the Members have caused this Master Note to be executed, under seal, in their name and on their behalf by the signature of the Obligated Group Representative this 20th day of December, 2005.

ATTEST:

ADVENTIST HEALTHCARE, INC., as  
Obligated Group Representative

By: *Museur Dymond*

By: *[Signature]* (SEAL)  
James G. Lee  
Senior Vice President and  
Chief Financial Officer



# ISDA<sup>®</sup>

International Swaps and Derivatives Association, Inc.

## MASTER AGREEMENT

dated as of October 26, 2005

Lehman Brothers Special Financing Inc. and Adventist HealthCare, Inc. have entered and/or anticipate entering into one or more transactions (each a "Transaction") that are or will be governed by this Master Agreement (the "Master Agreement"), which includes the schedule (the "Schedule"), and the documents and other confirming evidence (each a "Confirmation") exchanged between the parties confirming those Transactions.

Accordingly, the parties agree as follows:—

### 1. Interpretation

- (a) **Definitions.** The terms defined in Section 12 and in the Schedule will have the meanings therein specified for the purpose of this Master Agreement.
- (b) **Inconsistency.** In the event of any inconsistency between the provisions of the Schedule and the other provisions of this Master Agreement, the Schedule will prevail. In the event of any inconsistency between the provisions of any Confirmation and this Master Agreement (including the Schedule), such Confirmation will prevail for the purpose of the relevant Transaction.
- (c) **Single Agreement.** All Transactions are entered into in reliance on the fact that this Master Agreement and all Confirmations form a single agreement between the parties (collectively referred to as this "Agreement"), and the parties would not otherwise enter into any Transactions.

### 2. Obligations

- (a) **General Conditions.**
  - (i) Each party will make each payment or delivery specified in each Confirmation to be made by it, subject to the other provisions of this Agreement.
  - (ii) Payments under this Agreement will be made on the due date for value on that date in the place of the account specified in the relevant Confirmation or otherwise pursuant to this Agreement, in freely transferable funds and in the manner customary for payments in the required currency. Where settlement is by delivery (that is, other than by payment), such delivery will be made for receipt on the due date in the manner customary for the relevant obligation unless otherwise specified in the relevant Confirmation or elsewhere in this Agreement.
  - (iii) Each obligation of each party under Section 2(a)(i) is subject to (1) the condition precedent that no Event of Default or Potential Event of Default with respect to the other party has occurred and is continuing, (2) the condition precedent that no Early Termination Date in

respect of the relevant Transaction has occurred or been effectively designated and (3) each other applicable condition precedent specified in this Agreement.

(b) **Change of Account.** Either party may change its account for receiving a payment or delivery by giving notice to the other party at least five Local Business Days prior to the scheduled date for the payment or delivery to which such change applies unless such other party gives timely notice of a reasonable objection to such change.

(c) **Netting.** If on any date amounts would otherwise be payable:—

- (i) in the same currency; and
- (ii) in respect of the same Transaction,

by each party to the other, then, on such date, each party's obligation to make payment of any such amount will be automatically satisfied and discharged and, if the aggregate amount that would otherwise have been payable by one party exceeds the aggregate amount that would otherwise have been payable by the other party, replaced by an obligation upon the party by whom the larger aggregate amount would have been payable to pay to the other party the excess of the larger aggregate amount over the smaller aggregate amount.

The parties may elect in respect of two or more Transactions that a net amount will be determined in respect of all amounts payable on the same date in the same currency in respect of such Transactions, regardless of whether such amounts are payable in respect of the same Transaction. The election may be made in the Schedule or a Confirmation by specifying that subparagraph (ii) above will not apply to the Transactions identified as being subject to the election, together with the starting date (in which case subparagraph (ii) above will not, or will cease to, apply to such Transactions from such date). This election may be made separately for different groups of Transactions and will apply separately to each pairing of branches or offices through which the parties make and receive payments or deliveries.

(d) **Default Interest; Other Amounts.** Prior to the occurrence or effective designation of an Early Termination Date in respect of the relevant Transaction, a party that defaults in the performance of any payment obligation will, to the extent permitted by law and subject to Section 6(c), be required to pay interest (before as well as after judgment) on the overdue amount to the other party on demand in the same currency as such overdue amount, for the period from (and including) the original due date for payment to (but excluding) the date of actual payment, at the Default Rate. Such interest will be calculated on the basis of daily compounding and the actual number of days elapsed. If, prior to the occurrence or effective designation of an Early Termination Date in respect of the relevant Transaction, a party defaults in the performance of any obligation required to be settled by delivery, it will compensate the other party on demand if and to the extent provided for in the relevant Confirmation or elsewhere in this Agreement.

### 3. Representations

Each party represents to the other party (which representations will be deemed to be repeated by each party on each date on which a Transaction is entered into) that:—

(a) **Basic Representations.**

- (i) **Status.** It is duly organized and validly existing under the laws of the jurisdiction of its organization or incorporation and, if relevant under such laws, in good standing;
- (ii) **Powers.** It has the power to execute this Agreement and any other documentation relating to this Agreement to which it is a party, to deliver this Agreement and any other documentation relating to this Agreement that it is required by this Agreement to deliver and to

perform its obligations under this Agreement and any obligations it has under any Credit Support Document to which it is a party and has taken all necessary action to authorize such execution, delivery and performance;

(iii) **No Violation or Conflict.** Such execution, delivery and performance do not violate or conflict with any law applicable to it, any provision of its constitutional documents, any order or judgment of any court or other agency of government applicable to it or any of its assets or any contractual restriction binding on or affecting it or any of its assets;

(iv) **Consents.** All governmental and other consents that are required to have been obtained by it with respect to this Agreement or any Credit Support Document to which it is a party have been obtained and are in full force and effect and all conditions of any such consents have been complied with; and

(v) **Obligations Binding.** Its obligations under this Agreement and any Credit Support Document to which it is a party constitute its legal, valid and binding obligations, enforceable in accordance with their respective terms (subject to applicable bankruptcy, reorganization, insolvency, moratorium or similar laws affecting creditors' rights generally and subject, as to enforceability, to equitable principles of general application (regardless of whether enforcement is sought in a proceeding in equity or at law)).

(b) **Absence of Certain Events.** No Event of Default or Potential Event of Default or, to its knowledge, Termination Event with respect to it has occurred and is continuing and no such event or circumstance would occur as a result of its entering into or performing its obligations under this Agreement or any Credit Support Document to which it is a party.

(c) **Absence of Litigation.** There is not pending or, to its knowledge, threatened against it or any of its Affiliates any action, suit or proceeding at law or in equity or before any court, tribunal, governmental body, agency or official or any arbitrator that is likely to affect the legality, validity or enforceability against it of this Agreement or any Credit Support Document to which it is a party or its ability to perform its obligations under this Agreement or such Credit Support Document.

(d) **Accuracy of Specified Information.** All applicable information that is furnished in writing by or on behalf of it to the other party and is identified for the purpose of this Section 3(d) in the Schedule is, as of the date of the information, true, accurate and complete in every material respect.

#### 4. Agreements

Each party agrees with the other that, so long as either party has or may have any obligation under this Agreement or under any Credit Support Document to which it is a party:—

(a) **Furnish Specified Information.** It will deliver to the other party any forms, documents or certificates specified in the Schedule or any Confirmation by the date specified in the Schedule or such Confirmation or, if none is specified, as soon as reasonably practicable.

(b) **Maintain Authorizations.** It will use all reasonable efforts to maintain in full force and effect all consents of any governmental or other authority that are required to be obtained by it with respect to this Agreement or any Credit Support Document to which it is a party and will use all reasonable efforts to obtain any that may become necessary in the future.

(c) **Comply with Laws.** It will comply in all material respects with all applicable laws and orders to which it may be subject if failure so to comply would materially impair its ability to perform its obligations under this Agreement or any Credit Support Document to which it is a party.

#### 5. Events of Default and Termination Events

(a) **Events of Default.** The occurrence at any time with respect to a party or, if applicable, any Credit Support Provider of such party or any Specified Entity of such party of any of the following events constitutes an event of default (an "Event of Default") with respect to such party:—

(i) **Failure to Pay or Deliver.** Failure by the party to make, when due, any payment under this Agreement or delivery under Section 2(a)(i) or 2(d) required to be made by it if such failure is not remedied on or before the third Local Business Day after notice of such failure is given to the party;

(ii) **Breach of Agreement.** Failure by the party to comply with or perform any agreement or obligation (other than an obligation to make any payment under this Agreement or delivery under Section 2(a)(i) or 2(d) or to give notice of a Termination Event) to be complied with or performed by the party in accordance with this Agreement if such failure is not remedied on or before the thirtieth day after notice of such failure is given to the party;

(iii) **Credit Support Default.**

(1) Failure by the party or any Credit Support Provider of such party to comply with or perform any agreement or obligation to be complied with or performed by it in accordance with any Credit Support Document if such failure is continuing after any applicable grace period has elapsed;

(2) the expiration or termination of such Credit Support Document or the failing or ceasing of such Credit Support Document to be in full force and effect for the purpose of this Agreement (in either case other than in accordance with its terms) prior to the satisfaction of all obligations of such party under each Transaction to which such Credit Support Document relates without the written consent of the other party; or

(3) the party or such Credit Support Provider disaffirms, disclaims, repudiates or rejects, in whole or in part, or challenges the validity of, such Credit Support Document;

(iv) **Misrepresentation.** A representation made or repeated or deemed to have been made or repeated by the party or any Credit Support Provider of such party in this Agreement or any Credit Support Document proves to have been incorrect or misleading in any material respect when made or repeated or deemed to have been made or repeated;

(v) **Default under Specified Transaction.** The party, any Credit Support Provider of such party or any applicable Specified Entity of such party (1) defaults under a Specified Transaction and, after giving effect to any applicable notice requirement or grace period, there occurs a liquidation of, an acceleration of obligations under, or an early termination of, that Specified Transaction, (2) defaults, after giving effect to any applicable notice requirement or grace period, in making any payment or delivery due on the last payment, delivery or exchange date of, or any payment on early termination of, a Specified Transaction (or such default continues for at least three Local Business Days if there is no applicable notice requirement or grace period) or (3) disaffirms, disclaims, repudiates or rejects, in whole or in part, a Specified Transaction (or such action is taken by any person or entity appointed or empowered to operate it or act on its behalf);

(vi) **Cross Default.** If "Cross Default" is specified in the Schedule as applying to the party, the occurrence or existence of (1) a default, event of default or other similar condition or event (however described) in respect of such party, any Credit Support Provider of such party or any applicable Specified Entity of such party under one or more agreements or instruments relating to Specified Indebtedness of any of them (individually or collectively) in an aggregate amount of not less than the applicable Threshold Amount (as specified in the Schedule) which has

resulted in such Specified Indebtedness becoming, or becoming capable at such time of being declared, due and payable under such agreements or instruments, before it would otherwise have been due and payable or (2) a default by such party, such Credit Support Provider or such Specified Entity (individually or collectively) in making one or more payments on the due date thereof in an aggregate amount of not less than the applicable Threshold Amount under such agreements or instruments (after giving effect to any applicable notice requirement or grace period);

(vii) **Bankruptcy.** The party, any Credit Support Provider of such party or any applicable Specified Entity of such party:—

(1) is dissolved (other than pursuant to a consolidation, amalgamation or merger); (2) becomes insolvent or is unable to pay its debts or fails or admits in writing its inability generally to pay its debts as they become due; (3) makes a general assignment, arrangement or composition with or for the benefit of its creditors; (4) institutes or has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition (A) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (B) is not dismissed, discharged, stayed or restrained in each case within 30 days of the institution or presentation thereof; (5) has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger); (6) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets; (7) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 30 days thereafter; (8) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in clauses (1) to (7) (inclusive); or (9) takes any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the foregoing acts; or

(viii) **Merger Without Assumption.** The party or any Credit Support Provider of such party consolidates or amalgamates with, or merges with or into, or transfers all or substantially all its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer:—

(1) the resulting, surviving or transferee entity fails to assume all the obligations of such party or such Credit Support Provider under this Agreement or any Credit Support Document to which it or its predecessor was a party by operation of law or pursuant to an agreement reasonably satisfactory to the other party to this Agreement; or

(2) the benefits of any Credit Support Document fail to extend (without the consent of the other party) to the performance by such resulting, surviving or transferee entity of its obligations under this Agreement.

(b) **Termination Events.** The occurrence at any time with respect to a party or, if applicable, any Credit Support Provider of such party or any Specified Entity of such party of any event specified below constitutes an Illegality if the event is specified in (i) below, and, if specified to be applicable, a Credit

Event Upon Merger if the event is specified pursuant to (ii) below or an Additional Termination Event if the event is specified pursuant to (iii) below:—

(i) **Illegality.** Due to the adoption of, or any change in, any applicable law after the date on which a Transaction is entered into, or due to the promulgation of, or any change in, the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law after such date, it becomes unlawful (other than as a result of a breach by the party of Section 4(b)) for such party (which will be the Affected Party):—

(1) to perform any absolute or contingent obligation to make a payment or delivery or to receive a payment or delivery in respect of such Transaction or to comply with any other material provision of this Agreement relating to such Transaction; or

(2) to perform, or for any Credit Support Provider of such party to perform, any contingent or other obligation which the party (or such Credit Support Provider) has under any Credit Support Document relating to such Transaction;

(ii) **Credit Event Upon Merger.** If “Credit Event Upon Merger” is specified in the Schedule as applying to the party, such party (“X”), any Credit Support Provider of X or any applicable Specified Entity of X consolidates or amalgamates with, or merges with or into, or transfers all or substantially all its assets to, another entity and such action does not constitute an event described in Section 5(a)(viii) but the creditworthiness of the resulting, surviving or transferee entity is materially weaker than that of X, such Credit Support Provider or such Specified Entity, as the case may be, immediately prior to such action (and, in such event, X or its successor or transferee, as appropriate, will be the Affected Party); or

(iii) **Additional Termination Event.** If any “Additional Termination Event” is specified in the Schedule or any Confirmation as applying, the occurrence of such event (and, in such event, the Affected Party or Affected Parties shall be as specified for such Additional Termination Event in the Schedule or such Confirmation).

(c) **Event of Default and Illegality.** If an event or circumstance which would otherwise constitute or give rise to an Event of Default also constitutes an Illegality, it will be treated as an Illegality and will not constitute an Event of Default.

## 6. Early Termination

(a) **Right to Terminate Following Event of Default.** If at any time an Event of Default with respect to a party (the “Defaulting Party”) has occurred and is then continuing, the other party (the “Non-defaulting Party”) may, by not more than 20 days notice to the Defaulting Party specifying the relevant Event of Default, designate a day not earlier than the day such notice is effective as an Early Termination Date in respect of all outstanding Transactions. If, however, “Automatic Early Termination” is specified in the Schedule as applying to a party, then an Early Termination Date in respect of all outstanding Transactions will occur immediately upon the occurrence with respect to such party of an Event of Default specified in Section 5(a)(vii)(1), (3), (5), (6) or, to the extent analogous thereto, (8), and as of the time immediately preceding the institution of the relevant proceeding or the presentation of the relevant petition upon the occurrence with respect to such party of an Event of Default specified in Section 5(a)(vii)(4) or, to the extent analogous thereto, (8).

(b) **Right to Terminate Following Termination Event.**

(i) **Notice.** If a Termination Event occurs, an Affected Party will, promptly upon becoming aware of it, notify the other party, specifying the nature of that Termination Event and each

Affected Transaction and will also give such other information about that Termination Event as the other party may reasonably require.

(ii) **Two Affected Parties.** If an Illegality under Section 5(b)(i)(1) occurs and there are two Affected Parties, each party will use all reasonable efforts to reach agreement within 30 days after notice thereof is given under Section 6(b)(i) on action to avoid that Termination Event.

(iii) **Right to Terminate.** If:—

(1) an agreement under Section 6(b)(ii) has not been effected with respect to all Affected Transactions within 30 days after an Affected Party gives notice under Section 6(b)(i); or

(2) an Illegality other than that referred to in Section 6(b)(ii), a Credit Event Upon Merger or an Additional Termination Event occurs,

either party in the case of an Illegality, any Affected Party in the case of an Additional Termination Event if there is more than one Affected Party, or the party which is not the Affected Party in the case of a Credit Event Upon Merger or an Additional Termination Event if there is only one Affected Party may, by not more than 20 days notice to the other party and provided that the relevant Termination Event is then continuing, designate a day not earlier than the day such notice is effective as an Early Termination Date in respect of all Affected Transactions.

(c) **Effect of Designation.**

(i) If notice designating an Early Termination Date is given under Section 6(a) or (b), the Early Termination Date will occur on the date so designated, whether or not the relevant Event of Default or Termination Event is then continuing.

(ii) Upon the occurrence or effective designation of an Early Termination Date, no further payments or deliveries under Section 2(a)(i) or 2(d) in respect of the Terminated Transactions will be required to be made, but without prejudice to the other provisions of this Agreement. The amount, if any, payable in respect of an Early Termination Date shall be determined pursuant to Section 6(e).

(d) **Calculations.**

(i) **Statement.** On or as soon as reasonably practicable following the occurrence of an Early Termination Date, each party will make the calculations on its part, if any, contemplated by Section 6(e) and will provide to the other party a statement (1) showing, in reasonable detail, such calculations (including all relevant quotations and specifying any amount payable under Section 6(e)) and (2) giving details of the relevant account to which any amount payable to it is to be paid. In the absence of written confirmation from the source of a quotation obtained in determining a Market Quotation, the records of the party obtaining such quotation will be conclusive evidence of the existence and accuracy of such quotation.

(ii) **Payment Date.** An amount calculated as being due in respect of any Early Termination Date under Section 6(e) will be payable on the day that notice of the amount payable is effective (in the case of an Early Termination Date which is designated or occurs as a result of an Event of Default) and on the day which is two Local Business Days after the day on which notice of the amount payable is effective (in the case of an Early Termination Date which is designated as a result of a Termination Event). Such amount will be paid together with (to the extent permitted under applicable law) interest thereon (before as well as after judgment), from (and including) the relevant Early Termination Date to (but excluding) the date such amount is

paid, at the Applicable Rate. Such interest will be calculated on the basis of daily compounding and the actual number of days elapsed.

(e) **Payments on Early Termination.** If an Early Termination Date occurs, the following provisions shall apply based on the parties' election in the Schedule of a payment measure, either "Market Quotation" or "Loss," and a payment method, either the "First Method" or the "Second Method." If the parties fail to designate a payment measure or payment method in the Schedule, it will be deemed that "Market Quotation" or the "Second Method," as the case may be, shall apply. The amount, if any, payable in respect of an Early Termination Date and determined pursuant to this Section will be subject to any Set-off.

(i) **Events of Default.** If the Early Termination Date results from an Event of Default:—

(1) **First Method and Market Quotation.** If the First Method and Market Quotation apply, the Defaulting Party will pay to the Non-defaulting Party the excess, if a positive number, of (A) the sum of the Settlement Amount (determined by the Non-defaulting Party) in respect of the Terminated Transactions and the Unpaid Amounts owing to the Non-defaulting Party over (B) the Unpaid Amounts owing to the Defaulting Party.

(2) **First Method and Loss.** If the First Method and Loss apply, the Defaulting Party will pay to the Non-defaulting Party, if a positive number, the Non-defaulting Party's Loss in respect of this Agreement.

(3) **Second Method and Market Quotation.** If the Second Method and Market Quotation apply, an amount will be payable equal to (A) the sum of the Settlement Amount (determined by the Non-defaulting Party) in respect of the Terminated Transactions and the Unpaid Amounts owing to the Non-defaulting Party less (B) the Unpaid Amounts owing to the Defaulting Party. If that amount is a positive number, the Defaulting Party will pay it to the Non-defaulting Party; if it is a negative number, the Non-defaulting Party will pay the absolute value of that amount to the Defaulting Party.

(4) **Second Method and Loss.** If the Second Method and Loss apply, an amount will be payable equal to the Non-defaulting Party's Loss in respect of this Agreement. If that amount is a positive number, the Defaulting Party will pay it to the Non-defaulting Party; if it is a negative number, the Non-defaulting Party will pay the absolute value of that amount to the Defaulting Party.

(ii) **Termination Events.** If the Early Termination Date results from a Termination Event:—

(1) **One Affected Party.** If there is one Affected Party, the amount payable will be determined in accordance with Section 6(e)(i)(3), if Market Quotation applies, or Section 6(e)(i)(4), if Loss applies, except that, in either case, references to the Defaulting Party and to the Non-defaulting Party will be deemed to be references to the Affected Party and the party which is not the Affected Party, respectively, and, if Loss applies and fewer than all the Transactions are being terminated, Loss shall be calculated in respect of all Terminated Transactions.

(2) **Two Affected Parties.** If there are two Affected Parties:—

(A) if Market Quotation applies, each party will determine a Settlement Amount in respect of the Terminated Transactions, and an amount will be payable equal to (I) the sum of (a) one-half of the difference between the Settlement Amount of the party with the higher Settlement Amount ("X") and the Settlement Amount of the party with the

lower Settlement Amount ("Y") and (b) the Unpaid Amounts owing to X less (II) the Unpaid Amounts owing to Y; and

(B) if Loss applies, each party will determine its Loss in respect of this Agreement (or, if fewer than all the Transactions are being terminated, in respect of all Terminated Transactions) and an amount will be payable equal to one-half of the difference between the Loss of the party with the higher Loss ("X") and the Loss of the party with the lower Loss ("Y").

If the amount payable is a positive number, Y will pay it to X; if it is a negative number, X will pay the absolute value of that amount to Y.

(iii) **Adjustment for Bankruptcy.** In circumstances where an Early Termination Date occurs because "Automatic Early Termination" applies in respect of a party, the amount determined under this Section 6(e) will be subject to such adjustments as are appropriate and permitted by law to reflect any payments or deliveries made by one party to the other under this Agreement (and retained by such other party) during the period from the relevant Early Termination Date to the date for payment determined under Section 6(d)(ii).

(iv) **Pre-Estimate.** The parties agree that if Market Quotation applies an amount recoverable under this Section 6(e) is a reasonable pre-estimate of loss and not a penalty. Such amount is payable for the loss of bargain and the loss of protection against future risks and except as otherwise provided in this Agreement neither party will be entitled to recover any additional damages as a consequence of such losses.

## 7. Transfer

Neither this Agreement nor any interest or obligation in or under this Agreement may be transferred (whether by way of security or otherwise) by either party without the prior written consent of the other party, except that:—

(a) a party may make such a transfer of this Agreement pursuant to a consolidation or amalgamation with, or merger with or into, or transfer of all or substantially all of its assets to, another entity (but without prejudice to any other right or remedy under this Agreement); and

(b) a party may make such a transfer of all or any part of its interest in any amount payable to it from a Defaulting Party under Section 6(e).

Any purported transfer that is not in compliance with this Section will be void.

## 8. Miscellaneous

(a) **Entire Agreement.** This Agreement constitutes the entire agreement and understanding of the parties with respect to its subject matter and supersedes all oral communication and prior writings with respect thereto.

(b) **Amendments.** No amendment, modification or waiver in respect of this Agreement will be effective unless in writing (including a writing evidenced by a facsimile transmission) and executed by each of the parties or confirmed by an exchange of telexes or electronic messages on an electronic messaging system.

(c) **Survival of Obligations.** Without prejudice to Sections 2(a)(iii) and 6(c)(ii), the obligations of the parties under this Agreement will survive the termination of any Transaction.

(d) **Remedies Cumulative.** Except as provided in this Agreement, the rights, powers, remedies and privileges provided in this Agreement are cumulative and not exclusive of any rights, powers, remedies and privileges provided by law.

(e) **Counterparts and Confirmations.**

(i) This Agreement (and each amendment, modification and waiver in respect of it) may be executed and delivered in counterparts (including by facsimile transmission), each of which will be deemed an original.

(ii) The parties intend that they are legally bound by the terms of each Transaction from the moment they agree to those terms (whether orally or otherwise). A Confirmation shall be entered into as soon as practicable and may be executed and delivered in counterparts (including by facsimile transmission) or be created by an exchange of telexes or by an exchange of electronic messages on an electronic messaging system, which in each case will be sufficient for all purposes to evidence a binding supplement to this Agreement. The parties will specify therein or through another effective means that any such counterpart, telex or electronic message constitutes a Confirmation.

(f) **No Waiver of Rights.** A failure or delay in exercising any right, power or privilege in respect of this Agreement will not be presumed to operate as a waiver, and a single or partial exercise of any right, power or privilege will not be presumed to preclude any subsequent or further exercise, of that right, power or privilege or the exercise of any other right, power or privilege.

(g) **Headings.** The headings used in this Agreement are for convenience of reference only and are not to affect the construction of or to be taken into consideration in interpreting this Agreement.

## 9. Expenses

A Defaulting Party will, on demand, indemnify and hold harmless the other party for and against all reasonable out-of-pocket expenses, including legal fees, incurred by such other party by reason of the enforcement and protection of its rights under this Agreement or any Credit Support Document to which the Defaulting Party is a party or by reason of the early termination of any Transaction, including, but not limited to, costs of collection.

## 10. Notices

(a) **Effectiveness.** Any notice or other communication in respect of this Agreement may be given in any manner set forth below (except that a notice or other communication under Section 5 or 6 may not be given by facsimile transmission or electronic messaging system) to the address or number or in accordance with the electronic messaging system details provided (see the Schedule) and will be deemed effective as indicated:—

(i) if in writing and delivered in person or by courier, on the date it is delivered;

(ii) if sent by telex, on the date the recipient's answerback is received;

(iii) if sent by facsimile transmission, on the date that transmission is received by a responsible employee of the recipient in legible form (it being agreed that the burden of proving receipt will be on the sender and will not be met by a transmission report generated by the sender's facsimile machine);

(iv) if sent by certified or registered mail (airmail, if overseas) or the equivalent (return receipt requested), on the date that mail is delivered or its delivery is attempted; or

(v) if sent by electronic messaging system, on the date that electronic message is received,

unless the date of that delivery (or attempted delivery ) or that receipt, as applicable, is not a Local Business Day or that communication is delivered (or attempted) or received, as applicable, after the close of business on a Local Business Day, in which case that communication shall be deemed given and effective on the first following day that is a Local Business Day.

(b) **Change of Addresses.** Either party may by notice to the other change the address, telex or facsimile number or electronic messaging system details at which notices or other communications are to be given to it.

## 11. Governing Law and Jurisdiction

(a) **Governing Law.** This Agreement will be governed by and construed in accordance with the law specified in the Schedule.

(b) **Jurisdiction.** With respect to any suit, action or proceedings relating to this Agreement (“Proceedings”), each party irrevocably:—

(i) submits to the jurisdiction of the English courts, if this Agreement is expressed to be governed by English law, or to the non-exclusive jurisdiction of the courts of the State of New York and the United States District Court located in the Borough of Manhattan in New York City, if this Agreement is expressed to be governed by the laws of the State of New York; and

(ii) waives any objection which it may have at any time to the laying of venue of any Proceedings brought in any such court, waives any claim that such Proceedings have been brought in an inconvenient forum and further waives the right to object, with respect to such Proceedings, that such court does not have any jurisdiction over such party.

Nothing in this Agreement precludes either party from bringing Proceedings in any other jurisdiction (outside, if this Agreement is expressed to be governed by English law, the Contracting States, as defined in Section 1(3) of the Civil Jurisdiction and Judgments Act 1982 or any modification, extension or re-enactment thereof for the time being in force) nor will the bringing of Proceedings in any one or more jurisdictions preclude the bringing of Proceedings in any other jurisdiction.

(c) **Waiver of Immunities.** Each party irrevocably waives, to the fullest extent permitted by applicable law, with respect to itself and its revenues and assets (irrespective of their use or intended use), all immunity on the grounds of sovereignty or other similar grounds from (i) suit, (ii) jurisdiction of any court, (iii) relief by way of injunction, order for specific performance or for recovery of property, (iv) attachment of its assets (whether before or after judgment) and (v) execution or enforcement of any judgment to which it or its revenues or assets might otherwise be entitled in any Proceedings in the courts of any jurisdiction and irrevocably agrees, to the extent permitted by applicable law, that it will not claim any such immunity in any Proceedings.

## 12. Definitions

As used in this Agreement:—

**“Additional Termination Event”** has the meaning specified in Section 5(b).

**“Affected Party”** has the meaning specified in Section 5(b).

**“Affected Transactions”** means (a) with respect to any Termination Event consisting of an Illegality, all Transactions affected by the occurrence of such Termination Event and (b) with respect to any other Termination Event, all Transactions.

**“Affiliate”** means, subject to the Schedule, in relation to any person, any entity controlled, directly or indirectly, by the person, any entity that controls, directly or indirectly, the person or any entity directly or

indirectly under common control with the person. For this purpose, "control" of any entity or person means ownership of a majority of the voting power of the entity or person.

**"Applicable Rate"** means:—

(a) in respect of obligations payable or deliverable (or which would have been but for Section 2(a)(iii)) by a Defaulting Party, the Default Rate;

(b) in respect of an obligation to pay an amount under Section 6(e) of either party from and after the date (determined in accordance with Section 6(d)(ii)) on which that amount is payable, the Default Rate;

(c) in respect of all other obligations payable or deliverable (or which would have been but for Section 2(a)(iii)) by a Non-defaulting Party, the Non-default Rate; and

(d) in all other cases, the Termination Rate.

**"consent"** includes a consent, approval, action, authorization, exemption, notice, filing, registration or exchange control consent.

**"Credit Event Upon Merger"** has the meaning specified in Section 5(b).

**"Credit Support Document"** means any agreement or instrument that is specified as such in this Agreement.

**"Credit Support Provider"** has the meaning specified in the Schedule.

**"Default Rate"** means a rate per annum equal to the cost (without proof or evidence of any actual cost) to the relevant payee (as certified by it) if it were to fund or of funding the relevant amount plus 1% per annum.

**"Defaulting Party"** has the meaning specified in Section 6(a).

**"Early Termination Date"** means the date determined in accordance with Section 6(a) or 6(b)(iii).

**"Event of Default"** has the meaning specified in Section 5(a) and, if applicable, in the Schedule.

**"Illegality"** has the meaning specified in Section 5(b).

**"law"** includes any treaty, law, rule or regulation and **"lawful"** and **"unlawful"** will be construed accordingly.

**"Local Business Day"** means, subject to the Schedule, a day on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) (a) in relation to any obligation under Section 2(a)(i), in the place(s) specified in the relevant Confirmation or, if not so specified, as otherwise agreed by the parties in writing or determined pursuant to provisions contained, or incorporated by reference, in this Agreement, (b) in relation to any other payment, in the place where the relevant account is located, (c) in relation to any notice or other communication, including notice contemplated under Section 5(a)(i), in the city specified in the address for notice provided by the recipient and, in the case of a notice contemplated by Section 2(b), in the place where the relevant new account is to be located and (d) in relation to Section 5(a)(v)(2), in the relevant locations for performance with respect to such Specified Transaction.

**"Loss"** means, with respect to this Agreement or one or more Terminated Transactions, as the case may be, and a party, an amount that party reasonably determines in good faith to be its total losses and costs (or gain, in which case expressed as a negative number) in connection with this Agreement or that Terminated Transaction or group of Terminated Transactions, as the case may be, including any loss of

bargain, cost of funding or, at the election of such party but without duplication, loss or cost incurred as a result of its terminating, liquidating, obtaining or reestablishing any hedge or related trading position (or any gain resulting from any of them). Loss includes losses and costs (or gains) in respect of any payment or delivery required to have been made (assuming satisfaction of each applicable condition precedent) on or before the relevant Early Termination Date and not made, except, so as to avoid duplication, if Section 6(e)(i)(1) or (3) or 6(e)(ii)(2)(A) applies. Loss does not include a party's legal fees and out-of-pocket expenses referred to under Section 9. A party will determine its Loss as of the relevant Early Termination Date, or, if that is not reasonably practicable, as of the earliest date thereafter as is reasonably practicable. A party may (but need not) determine its Loss by reference to quotations of relevant rates or prices from one or more leading dealers in the relevant markets.

***“Market Quotation”*** means, with respect to one or more Terminated Transactions and a party making the determination, an amount determined on the basis of quotations from Reference Market-makers. Each quotation will be for an amount, if any, that would be paid to such party (expressed as a negative number) or by such party (expressed as a positive number) in consideration of an agreement between such party (taking into account any existing Credit Support Document with respect to the obligations of such party) and the quoting Reference Market-maker to enter into a transaction (the “Replacement Transaction”) that would have the effect of preserving for such party the economic equivalent of any payment or delivery (whether the underlying obligation was absolute or contingent and assuming the satisfaction of each applicable condition precedent) by the parties under Section 2(a)(i) in respect of such Terminated Transaction or group of Terminated Transactions that would, but for the occurrence of the relevant Early Termination Date, have been required after that date. For this purpose, Unpaid Amounts in respect of the Terminated Transaction or group of Terminated Transactions are to be excluded but, without limitation, any payment or delivery that would, but for the relevant Early Termination Date, have been required (assuming satisfaction of each applicable condition precedent) after that Early Termination Date is to be included. The Replacement Transaction would be subject to such documentation as such party and the Reference Market-maker may, in good faith, agree. The party making the determination (or its agent) will request each Reference Market-maker to provide its quotation to the extent reasonably practicable as of the same day and time (without regard to different time zones) on or as soon as reasonably practicable after the relevant Early Termination Date. The day and time as of which those quotations are to be obtained will be selected in good faith by the party obliged to make a determination under Section 6(e), and, if each party is so obliged, after consultation with the other. If more than three quotations are provided, the Market Quotation will be the arithmetic mean of the quotations, without regard to the quotations having the highest and lowest values. If exactly three such quotations are provided, the Market Quotation will be the quotation remaining after disregarding the highest and lowest quotations. For this purpose, if more than one quotation has the same highest value or lowest value, then one of such quotations shall be disregarded. If fewer than three quotations are provided, it will be deemed that the Market Quotation in respect of such Terminated Transaction or group of Terminated Transactions cannot be determined.

***“Non-default Rate”*** means a rate per annum equal to the cost (without proof or evidence of any actual cost) to the Non-defaulting Party (as certified by it) if it were to fund the relevant amount.

***“Non-defaulting Party”*** has the meaning specified in Section 6(a).

***“Potential Event of Default”*** means any event which, with the giving of notice or the lapse of time or both, would constitute an Event of Default.

***“Reference Market-makers”*** means four leading dealers in the relevant market selected by the party determining a Market Quotation in good faith (a) from among dealers of the highest credit standing which satisfy all the criteria that such party applies generally at the time in deciding whether to offer or to make an extension of credit and (b) to the extent practicable, from among such dealers having an office in the same city.

**“Scheduled Payment Date”** means a date on which a payment or delivery is to be made under Section 2(a)(i) with respect to a Transaction.

**“Set-off”** means set-off, offset, combination of accounts, right of retention or withholding or similar right or requirement to which the payer of an amount under Section 6 is entitled or subject (whether arising under this Agreement, another contract, applicable law or otherwise) that is exercised by, or imposed on, such payer.

**“Settlement Amount”** means, with respect to a party and any Early Termination Date, the sum of:—

(a) the Market Quotations (whether positive or negative) for each Terminated Transaction or group of Terminated Transactions for which a Market Quotation is determined; and

(b) such party’s Loss (whether positive or negative and without reference to any Unpaid Amounts) for each Terminated Transaction or group of Terminated Transactions for which a Market Quotation cannot be determined or would not (in the reasonable belief of the party making the determination) produce a commercially reasonable result.

**“Specified Entity”** has the meaning specified in the Schedule.

**“Specified Indebtedness”** means, subject to the Schedule, any obligation (whether present or future, contingent or otherwise, as principal or surety or otherwise) in respect of borrowed money.

**“Specified Transaction”** means, subject to the Schedule, (a) any transaction (including an agreement with respect thereto) now existing or hereafter entered into between one party to this Agreement (or any Credit Support Provider of such party or any applicable Specified Entity of such party) and the other party to this Agreement (or any Credit Support Provider of such other party or any applicable Specified Entity of such other party) which is a rate swap transaction, basis swap, forward rate transaction, commodity swap, commodity option, equity or equity index swap, equity or equity index option, bond option, interest rate option, foreign exchange transaction, cap transaction, floor transaction, collar transaction, currency swap transaction, cross-currency rate swap transaction, currency option or any other similar transaction (including any option with respect to any of these transactions), (b) any combination of these transactions and (c) any other transaction identified as a Specified Transaction in this Agreement or the relevant confirmation.

**“Terminated Transactions”** means with respect to any Early Termination Date (a) if resulting from a Termination Event, all Affected Transactions and (b) if resulting from an Event of Default, all Transactions (in either case) in effect immediately before the effectiveness of the notice designating that Early Termination Date (or, if “Automatic Early Termination” applies, immediately before that Early Termination Date).

**“Termination Event”** means an Illegality or, if specified to be applicable, a Credit Event Upon Merger or an Additional Termination Event.

**“Termination Rate”** means a rate per annum equal to the arithmetic mean of the cost (without proof or evidence of any actual cost) to each party (as certified by such party) if it were to fund or of funding such amounts.

**“Unpaid Amounts”** owing to any party means, with respect to an Early Termination Date, the aggregate of (a) in respect of all Terminated Transactions, the amounts that became payable (or that would have become payable but for Section 2(a)(iii)) to such party under Section 2(a)(i) on or prior to such Early Termination Date and which remain unpaid as at such Early Termination Date and (b) in respect of each Terminated Transaction, for each obligation under Section 2(a)(i) which was (or would have been but for Section 2(a)(iii)) required to be settled by delivery to such party on or prior to such Early Termination Date and which has not been so settled as at such Early Termination Date, an amount equal to the fair

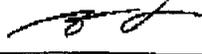
market value of that which was (or would have been) required to be delivered as of the originally scheduled date for delivery, in each case together with (to the extent permitted under applicable law) interest, in the currency of such amounts, from (and including) the date such amounts or obligations were or would have been required to have been paid or performed to (but excluding) such Early Termination Date, at the Applicable Rate. Such amounts of interest will be calculated on the basis of daily compounding and the actual number of days elapsed. The fair market value of any obligation referred to in clause (b) above shall be reasonably determined by the party obliged to make the determination under Section 6(e) or, if each party is so obliged, it shall be the average of the fair market values reasonably determined by both parties.

IN WITNESS WHEREOF the parties have executed this document on the respective dates specified below with effect from the date specified on the first page of this document.

LEHMAN BROTHERS SPECIAL FINANCING INC.

ADVENTIST HEALTHCARE, INC

By: \_\_\_\_\_  
Name: T. Courtney Jenkins  
Title: Vice President  
Date:

By:   
Name: James Lee  
Title: SVP, CFO  
Date: 12/17/05

# ISDA<sup>®</sup>

International Swaps and Derivatives Association, Inc.

## CREDIT SUPPORT ANNEX

to the Schedule to the

ISDA MASTER AGREEMENT

dated as of October 26, 2005

between

LEHMAN BROTHERS SPECIAL FINANCING INC.

("Party A")

and

ADVENTIST HEALTHCARE, INC.

("Party B")

This Annex supplements, forms part of, and is subject to, the above-referenced Agreement, is part of its Schedule and is a Credit Support Document under this Agreement with respect to each party.

Accordingly, the parties agree as follows:

### Paragraph 1. Interpretation

(a) **Definitions and Inconsistency.** Capitalized terms not otherwise defined herein or elsewhere in this Agreement have the meanings specified pursuant to Paragraph 12, and all references in this Annex to Paragraphs are to Paragraphs of this Annex. In the event of any inconsistency between this Annex and the other provisions of this Schedule, this Annex will prevail, and in the event of any inconsistency between Paragraph 13 and the other provisions of this Annex, Paragraph 13 will prevail.

(b) **Secured Party and Pledgor.** All references in this Annex to the "Secured Party" will be to either party when acting in that capacity and all corresponding references to the Pledgor will be to the other party when acting in that capacity; *provided, however*, that if Other Posted Support is held by a party to this Annex, all references herein to that party as the Secured Party with respect to that Other Posted Support will be to that party as the beneficiary thereof and will not subject that support or that party as the beneficiary thereof to provisions of law generally relating to security interests and secured parties.

### Paragraph 2. Security Interest

Each party, as the Pledgor, hereby pledges to the other party, as the Secured Party, as security for its Obligations and grants to the Secured Party a first priority continuing security interest *in, lien on and right of Set-off* against all Posted Collateral Transferred to or received by the Secured Party hereunder. Upon the Transfer by the Secured Party to the Pledgor of Posted Collateral, the security interest and lien granted hereunder on that Posted Collateral will be released immediately and, to the extent possible, without any further action by either party.

### Paragraph 3. Credit Support Obligations

(a) **Delivery Amount.** Subject to Paragraphs 4 and 5, upon demand made by the Secured Party on or promptly following a Valuation Date, if the Delivery Amount for that Valuation Date equals or exceeds the Pledgor's Minimum Transfer Amount, then the Pledgor will Transfer to the Secured Party Eligible Credit Support having a Value as of the date of Transfer at least equal to the applicable Delivery Amount (rounded pursuant to Paragraph 13). Unless otherwise specified in Paragraph 13, the "Delivery Amount" applicable to the Pledgor for any Valuation Date will equal the amount by which:

(i) the Credit Support Amount

exceeds

(ii) the Value as of that Valuation Date of all Posted Credit Support held by the Secured Party.

(b) **Return Amount.** Subject to Paragraphs 4 and 5, upon a demand made by the Pledgor on or promptly following a Valuation Date, if the Return Amount for that Valuation Date equals or exceeds Secured Party's Minimum Transfer Amount, then the Secured Party will Transfer to the Pledgor Posted Credit Support specified by the Pledgor in that demand having a Value as of the date of Transfer as close as practicable to the applicable Return Amount (rounded pursuant to Paragraph 13). Unless otherwise specified in Paragraph 13, the "Return Amount" applicable to the Secured Party for any Valuation Date will equal the amount by which:

(i) the Value as of that Valuation Date of all Posted Credit Support held by the Secured Party

exceeds

(ii) the Credit Support Amount.

**"Credit Support Amount"** means, unless otherwise specified in Paragraph 13, for any Valuation Date (i) the Secured Party's Exposure for that Valuation Date plus (ii) the aggregate of all Independent Amounts applicable to the Pledgor, if any, minus (iii) all Independent Amounts applicable to the Secured Party, if any, minus (iv) the Pledgor's Threshold; *provided, however*, that the Credit Support Amount will be deemed to be zero whenever the calculation of Credit Support Amount yields a number less than zero.

#### **Paragraph 4. Conditions Precedent, Transfer Timing, Calculations and Substitutions**

(a) **Conditions Precedent.** Each Transfer obligation of the Pledgor under Paragraphs 3 and 5 and of the Secured Party under Paragraphs 3, 4(d)(ii), 5 and 6(d) is subject to the conditions precedent that:

(i) no Event of Default, Potential Event of Default or Specified Condition has occurred and is continuing with respect to the other party; and

(ii) no Early Termination Date for which any unsatisfied payment obligations exist has occurred or been designated as the result of an Event of Default or Specified Condition with respect to the other party.

(b) **Transfer Timing.** Subject to Paragraphs 4(a) and 5 and unless otherwise specified, if a demand for the Transfer of Eligible Credit Support or Posted Credit Support is made by the Notification Time, then the relevant Transfer will be made not later than the close of business on the next Local Business Day; if a demand is made after the Notification Time, then the relevant Transfer will be made not later than the close of business on the second Local Business Day thereafter.

(c) **Calculations.** All calculations of Value and Exposure for purposes of Paragraphs 3 and 6(d) will be made by the Valuation Agent as of the Valuation Time. The Valuation Agent will notify each party (or the other party, if the Valuation Agent is a party) of its calculations not later than the Notification

Time on the Local Business Day following the applicable Valuation Date (or in the case of Paragraph 6(d), following the date of calculation).

(d) **Substitutions.**

(i) Unless otherwise specified in Paragraph 13, upon notice to the Secured Party specifying the items of Posted Credit Support to be exchanged, the Pledgor may, on any Local Business Day, Transfer to the Secured Party substitute Eligible Credit Support (the "Substitute Credit Support"); and

(ii) subject to Paragraph 4(a), the Secured Party will Transfer to the Pledgor the items of Posted Credit Support specified by the Pledgor in its notice not later than the Local Business Day following the date on which the Secured Party receives the Substitute Credit Support, unless otherwise specified in Paragraph 13 (the "Substitution Date"); *provided* that the Secured Party will only be obligated to Transfer Posted Credit Support with a Value as of the date of Transfer of that Posted Credit Support equal to the Value as of that date of the Substitute Credit Support.

**Paragraph 5. Dispute Resolution**

If a party (a "Disputing Party") disputes (I) the Valuation Agent's calculation of a Delivery Amount or a Return Amount or (II) the Value of any Transfer of Eligible Credit Support or Posted Credit Support, then (1) the Disputing Party will notify the other party and the Valuation Agent (if the Valuation Agent is not the other party) not later than the close of business on the Local Business Day following (X) the date that the demand is made under Paragraph 3 in case of (I) above or (Y) the date that the demand is made under Paragraph 3 in the case of (I) above or (Y) the date of Transfer in the case of (II) above, (2) subject to Paragraph 4(a), the appropriate party will Transfer the undisputed amount to the other party not later than the close of business on the Local Business Day following (X) the date that the demand is made under Paragraph 3 in the case of (I) above or (Y) the date of Transfer in the case of (II) above, (3) the parties will consult with each other in an attempt to resolve the dispute and (4) if they fail to resolve the dispute by the Resolution Time, then:

(i) In the case of a dispute involving a Delivery Amount or Return Amount, unless otherwise specified in Paragraph 13, the Valuation Agent will recalculate the Exposure and the Value as of the Recalculation Date by:

(A) utilizing any calculations of Exposure for the Transactions (or Swap Transactions) that the parties have agreed are not in dispute;

(B) calculating the Exposure for the Transactions (or Swap Transactions) in dispute by seeking four actual quotations at mid-market from Reference Market-makers for purposes of calculating Market Quotation, and taking the arithmetic average of those obtained; *provided* that if four quotations are not available for a particular Transaction (or Swap Transaction), then fewer than four quotations may be used for that Transaction (or Swap Transaction); and if no quotations are available for a particular Transaction (or Swap Transaction), then the Valuation Agent's original calculations will be used for that Transaction (or Swap Transaction);

(C) utilizing the procedures specified in Paragraph 13 for calculating the Value, if disputed, of Posted Credit Support.

(ii) In the case of a dispute involving the Value of any Transfer of Eligible Credit Support or Posted Credit Support the Valuation Agent will recalculate the Value as of the date of Transfer pursuant to Paragraph 13.

Following a recalculation pursuant to this Paragraph, the Valuation Agent will notify each party (or the other party, if the Valuation Agent is a party) not later than the Notification Time on the Local Business Day following the Resolution Time. The appropriate party will, upon demand following that notice by the Valuation Agent or a resolution pursuant to (3) above and subject to Paragraphs 4(a) and 4(b), make the appropriate Transfer.

**Paragraph 6. Holding and Using Posted Collateral**

(a) **Care of Posted Collateral.** Without limiting the Secured Party's rights under Paragraph 6(c), the Secured Party will exercise reasonable care to assure the safe custody of all Posted Collateral to the extent required by applicable law, and in any event the Secured Party will be deemed to have exercised reasonable care if it exercises at least the same degree of care as it would exercise with respect to its own property. Except as specified in the preceding sentence, the Secured Party will have no duty with respect to Posted Collateral, including, without limitation, any duty to collect any Distributions, or enforce or preserve any rights pertaining thereto.

(b) **Eligibility to Hold Posted Collateral; Custodians.**

(i) **General.** Subject to the satisfaction of any conditions specified in Paragraph 13 for holding Posted Collateral, the Secured Party will be entitled to hold Posted Collateral or to appoint an agent (a "Custodian") to hold Posted Collateral for the Secured Party. Upon notice by the Secured Party to the Pledgor of the appointment of a Custodian, the Pledgor's obligations to make any Transfer will be discharged by making the Transfer to that Custodian. The holding of Posted Collateral by a Custodian will be deemed to be the holding of that Posted Collateral by the Secured Party for which the Custodian is acting.

(ii) **Failure to Satisfy Conditions.** If the Secured Party or its Custodian fails to satisfy conditions for holding Posted Collateral, then upon a demand made by the Pledgor, the Secured Party will, not later than five Local Business Days after the demand, Transfer or cause its Custodian to Transfer all Posted Collateral held by it to a Custodian that satisfies those conditions or to the Secured Party if it satisfies those conditions.

(iii) **Liability.** The Secured Party will be liable for the acts or omissions of its Custodian to the same extent that the Secured Party would be liable hereunder for its own acts or omissions.

(c) **Use of Posted Collateral.** Unless otherwise specified in Paragraph 13 and without limiting the rights and obligations of the parties under Paragraphs 3, 4(d)(ii), 5, 6(d) and 8, if the Secured Party is not a Defaulting Party or an Affected Party with respect to a Specified Condition and no Early Termination Date has occurred or been designated as the result of an Event of Default or Specified Condition with respect to the Secured Party, then the Secured Party will, notwithstanding Section 9-207 of the New York Uniform Commercial Code, have the right to:

(i) sell, pledge, rehypothecate, assign, invest, use, commingle or otherwise dispose of, or otherwise use in its business any Posted Collateral it holds, free from any claim or right of any nature whatsoever of the Pledgor, including any equity or right of redemption by the Pledgor; and

(ii) register any Posted Collateral in the name of the Secured Party, its Custodian or a nominee for either.

For purposes of the obligation to Transfer Eligible Credit Support or Posted Credit Support pursuant to Paragraphs 3 and 5 and any rights or remedies authorized under this Agreement, the Secured Party will be deemed to continue to hold all Posted Collateral and to receive Distributions made thereon, regardless of whether the Secured Party has exercised any rights with respect to any Posted Collateral pursuant to (i) or (ii) above.

(d) ***Distributions and Interest Amount.***

(i) ***Distributions.*** Subject to Paragraph 4(a), if the Secured Party receives or is deemed to receive Distributions on a Local Business Day, it will Transfer to the Pledgor not later than the following Business Day any Distributions it receives or is deemed to receive to the extent that a Delivery Amount would not be created or increased by that Transfer, as calculated by the Valuation Agent (and the date of calculation will be deemed to be a Valuation Date for this purpose).

(ii) ***Interest Amount.*** Unless otherwise specified in Paragraph 13 and subject to Paragraph 4(a), in lieu of any interest, dividends or other amounts paid or deemed to have been paid with respect to Posted Collateral in the form of Cash (all of which may be retained by the Secured Party), the Secured Party will Transfer to the Pledgor at the times specified in Paragraph 13 the Interest Amount to the extent that a Delivery Amount would not be created or increased by that Transfer, as calculated by the Valuation Agent (and the date of calculation will be deemed to be a Valuation Date for this purpose). The Interest Amount or portion thereof not Transferred pursuant to this Paragraph will constitute Posted Collateral in the form of Cash and will be subject to the security interest granted under Paragraph 2.

**Paragraph 7. Events of Default**

For purposes of Section 5(a)(iii)(1) of this Agreement, an Event of Default will exist with respect to a party if:

- (i) that party fails (or fails to cause its Custodian) to make, when due, any Transfer of Eligible Collateral, Posted Collateral or the Interest Amount, as applicable, required to be made by it and that failure continues for two Local Business Days after notice of that failure is given to that party;
- (ii) that party fails to comply with any restriction or prohibition specified in this Annex with respect to any of the rights specified in Paragraph 6(c) and that failure continues for five Local Business Days after notice of that failure is given to that party; or
- (iii) that party fails to comply with or perform any agreement or obligation other than those specified in Paragraphs 7(i) and 7(ii) and that failure continues for 30 days after notice of that failure is given to that party.

**Paragraph 8. Certain Rights and Remedies**

(a) ***Secured Party's Rights and Remedies.*** If at any time (1) an Event of Default or Specified Condition with respect to the Pledgor has occurred and is continuing or (2) an Early Termination Date has occurred or been designated as the result of an Event of Default or Specified Condition with respect to the Pledgor, then, unless the Pledgor has paid in full all of its Obligations that are then due, the Secured Party may exercise one or more of the following rights and remedies:

- (i) all rights and remedies available to a secured party under applicable law with respect to Posted Collateral held by the Secured Party;
- (ii) any other rights and remedies available to the Secured Party under the terms of Other Posted Support, if any;
- (iii) the right to Set-off any amounts payable by the Pledgor with respect to any Obligations against any Posted Collateral or the Cash equivalent of any Posted Collateral held by the Secured Party (or any obligation of the Secured Party to Transfer that Posted Collateral); and

(iv) the right to liquidate any Posted Collateral held by the Secured Party through one or more public or private sales or other dispositions with such notice, if any, as may be required under applicable law, free from any claim or right of any nature whatsoever of the Pledgor, including any equity or right of redemption by the Pledgor (with the Secured Party having the right to purchase any or all of the Posted Collateral to be sold) and to apply the proceeds (or the Cash equivalent thereof) from the liquidation of the Posted Collateral to any amounts payable by the Pledgor with respect to any Obligations in that order as the Secured Party may elect.

Each party acknowledges and agrees that Posted Collateral in the form of securities may decline speedily in value and is of a type customarily sold on a recognized market, and, accordingly, the Pledgor is not entitled to prior notice of any sale of that Posted Collateral by the Secured Party, except any notice that is required under applicable law and cannot be waived.

(b) ***Pledgor's Rights and Remedies.*** If at any time an Early Termination Date has occurred or been designated as the result of an Event of Default or Specified Condition with respect to the Secured Party, then (except in the case of an Early Termination Date relating to less than all Transactions (or Swap Transactions) where the Secured Party has paid in full all of its obligations that are then due under Section 6(e) of this Agreement):

(i) the Pledgor may exercise all rights and remedies available to a Pledgor under applicable law with respect to Posted Collateral held by the Secured Party;

(ii) the Pledgor may exercise any other rights and remedies available to the Pledgor under the terms of Other Posted Support, if any;

(iii) the Secured Party will be obligated immediately to Transfer all Posted Collateral and the Interest Amount to the Pledgor; and

(iv) to the extent that Posted Collateral or the Interest Amount is not so Transferred pursuant to (iii) above, the Pledgor may:

(A) Set-off any amounts payable by the Pledgor with respect to any Obligations against any Posted Collateral or the Cash equivalent of any Posted Collateral held by the Secured Party (or any obligation of the Secured Party to Transfer that Posted Collateral); and

(B) to the extent that the Pledgor does not Set-off under (iv)(A) above, withhold payment of any remaining amounts payable by the Pledgor with respect to any Obligations, up to the Value of any remaining Posted Collateral held by the Secured Party, until that Posted Collateral is Transferred to the Pledgor.

(c) ***Deficiencies and Excess Proceeds.*** The Secured Party will Transfer to the Pledgor any proceeds and Posted Credit Support remaining after liquidation, Set-off and/or application under Paragraphs 8(a) and 8(b) after satisfaction in full of all amounts payable by the Pledgor with respect to any Obligations; the Pledgor in all events will remain liable for any amounts remaining unpaid after any liquidation, Set-off and/or application under Paragraphs 8(a) and 8(b).

(d) ***Final Returns.*** When no amounts are or thereafter may become payable by the Pledgor with respect to any Obligations (except for any potential liability under Section 2(d) of this Agreement), the Secured Party will Transfer to the Pledgor all Posted Credit Support and the Interest Amount, if any.

## **Paragraph 9. Representations**

Each party represents to the other party (which representation will be deemed to be repeated as of each date on which it, as the Pledgor, Transfers Eligible Collateral) that:

- (i) it has the power to grant a security interest in and lien on any Eligible Collateral it Transfers as the Pledgor and has taken all necessary actions to authorize the granting of that security interest and lien;
- (ii) it is the sole owner of or otherwise has the right to Transfer all Eligible Collateral it Transfers to the Secured Party hereunder, free and clear of any security interest, lien, encumbrance or other restrictions other than the security interest and lien granted under Paragraph 2;
- (iii) upon the Transfer of any Eligible Collateral to the Secured Party under the terms of this Annex, the Secured Party will have a valid and perfected first priority security interest therein (assuming that any central clearing corporation or any third-party financial intermediary or other entity not within the control of the Pledgor involved in the Transfer of that Eligible Collateral gives the notices and takes the action required of it under applicable law for perfection of that interest); and
- (iv) the performance by it of its obligations under this Annex will not result in the creation of any security interest, lien or other encumbrance on any Posted Collateral other than the security interest and lien granted under Paragraph 2.

#### **Paragraph 10. Expenses**

- (a) **General.** Except as otherwise provided in Paragraphs 10(b) and 10(c), each party will pay its own costs and expenses in connection with performing its obligations under this Annex and neither party will be liable for any costs and expenses incurred by the other party in connection herewith.
- (b) **Posted Credit Support.** The Pledgor will promptly pay when due all taxes, assessments or charges of any nature that are imposed with respect to Posted Credit support held by the Secured Party upon becoming aware of the same, regardless of whether any portion of that Posted Credit Support is subsequently disposed of under Paragraph 6(c), except for those taxes, assessments and charges that result from the exercise of the Secured Party's rights under Paragraph 6(c).
- (c) **Liquidation/Application of Posted Credit Support.** All reasonable costs and expenses incurred by or on behalf of the Secured Party or the Pledgor in connection with the liquidation and/or application of any Posted Credit Support under Paragraph 8 will be payable, on demand and pursuant to the Expenses Section of this Agreement, by the Defaulting Party or, if there is no Defaulting Party, equally by the parties.

#### **Paragraph 11. Miscellaneous**

- (a) **Default Interest.** A Secured Party that fails to make, when due, any Transfer of Posted Collateral or the Interest Amount will be obliged to pay the Pledgor (to the extent permitted under applicable law) an amount equal to interest at the Default Rate multiplied by the Value of the items of property that were required to be Transferred, from (and including) the date that the Posted Collateral or Interest Amount was required to be Transferred to (but excluding) the date of Transfer of that Posted Collateral or Interest Amount. This interest will be calculated on the basis of daily compounding and the actual number of days elapsed.
- (b) **Further Assurances.** Promptly following a demand made by a party, the other party will execute, deliver, file and record any financing statement, specific assignment or other document and take any other action that may be necessary or desirable and reasonably requested by that party to create, preserve, perfect or validate any security interest or lien granted under Paragraph 2, to enable that party to exercise or enforce its rights under this Annex with respect to Posted Credit Support or an Interest

Amount or to effect or document a release of a security interest on Posted Collateral or an Interest Amount.

(c) **Further Protection.** The Pledgor will promptly give notice to the Secured Party of, and defend against, any suit, action, proceeding or lien that involves Posted Credit Support Transferred by the Pledgor or that could adversely affect the security interest and lien granted by it under Paragraph 2, unless that suit, action, proceeding or lien results from the exercise of the Secured Party's rights under Paragraph 6(c).

(d) **Good Faith and Commercially Reasonable Manner.** Performance of all obligations under this Annex, including, but not limited to, all calculations, valuations and determinations made by either party, will be made in good faith and in a commercially reasonable manner.

(e) **Demands and Notices.** All demands and notices given by a party under this Annex will be made as specified in the Notices Section of this Agreement, except as otherwise provided in Paragraph 13.

(f) **Specifications of Certain Matters.** Anything referred to in this Annex as being specified in Paragraph 13 also may be specified in one or more Confirmations or other documents and this Annex will be construed accordingly.

## **Paragraph 12. Definitions**

As used in this Annex:—

**"Cash"** means the lawful currency of the United States of America.

**"Credit Support Amount"** has the meaning specified in Paragraph 3.

**"Custodian"** has the meaning specified in Paragraphs 6(b)(i) and 13.

**"Delivery Amount"** has the meaning specified in Paragraph 3(a).

**"Disputing Party"** has the meaning specified in Paragraph 5.

**"Distributions"** means, with respect to Posted Collateral other than Cash, all principal, interest and other payments and distributions of cash or other property with respect thereto, regardless of whether the Secured Party has disposed of that Posted Collateral under Paragraph 6(c). Distributions will not include any item of property acquired by the Secured Party upon any disposition or liquidation of Posted Collateral or, with respect to any Posted Collateral in the form of Cash, any distributions on that collateral, unless otherwise specified herein.

**"Eligible Collateral"** means, with respect to a party, the items, if any, specified as such for that party in Paragraph 13.

**"Eligible Credit Support"** means Eligible Collateral and Other Eligible Support.

**"Exposure"** means for any Valuation Date or other date for which Exposure is calculated and subject to Paragraph 5 in the case of a dispute, the amount, if any, that would be payable to a party that is the Secured Party by the other party (expressed as a positive number) or by a party that is the Secured Party to the other party (expressed as a negative number) pursuant to Section 6(e)(ii)(2)(A) of this Agreement as if all Transactions (or Swap Transactions) were being terminated as of the relevant Valuation Time; *provided* that Market Quotation will be determined by the Valuation Agent using its estimates at mid-market of the amounts that would be paid for Replacement Transactions (as that term is defined in the definition of "Market Quotation").

**"Independent Amount"** means, with respect to party, the amount specified as such for that party in Paragraph 13; if no amount is specified, zero.

***“Interest Amount”*** means, with respect to an Interest Period, the aggregate sum of the amounts of interest calculated for each day in that Interest Period on the principal amount of Posted Collateral in the form of Cash held by the Secured Party on that day, determined by the Secured Party for each such day as follows:

- (x) the amount of Cash on that day; multiplied by
- (y) the Interest Rate in effect for that day; divided by
- (z) 360.

***“Interest Period”*** means the period from (and including) the last Local Business Day on which an Interest Amount was Transferred (or, if no Interest Amount has yet been Transferred, the Local Business Day on which Posted Collateral in the form of Cash was Transferred to or received by the Secured Party) to (but excluding) the Local Business Day on which the current Interest Amount is to be Transferred.

***“Interest Rate”*** means the rate specified in Paragraph 13.

***“Local Business Day,”*** unless otherwise specified in Paragraph 13, has the meaning specified in the Definitions Section of this Agreement, except that references to a payment in clause (b) thereof will be deemed to include a Transfer under this Annex.

***“Minimum Transfer Amount”*** means, with respect to a party, the amount specified as such for that party in Paragraph 13; if no amount is specified, zero.

***“Notification Time”*** has the meaning specified in Paragraph 13.

***“Obligations”*** means, with respect to a party, all present and future obligations of that party under this Agreement and any additional obligations specified for that party in Paragraph 13.

***“Other Eligible Support”*** means, with respect to a party, the items, if any, specified as such for that party in Paragraph 13.

***“Other Posted Support”*** means all Other Eligible Support Transferred to the Secured Party that remains in effect for the benefit of that Secured Party.

***“Pledgor”*** means either party, when that party (i) receives a demand for or is required to Transfer Eligible Credit Support under Paragraph 3(a) or (ii) has Transferred Eligible Credit Support under Paragraph 3(a).

***“Posted Collateral”*** means all Eligible Collateral, other property, Distributions, and all proceeds thereof that have been Transferred to or received by the Secured Party under this Annex and not Transferred to the Pledgor pursuant to Paragraph 3(b), 4(d)(ii) or 6(d)(i) or released by the Secured Party under Paragraph 8. Any Interest Amount or portion thereof not Transferred pursuant to Paragraph 6(d)(ii) will constitute Posted Collateral in the form of Cash.

***“Posted Credit Support”*** means Posted Collateral and Other Posted Support.

***“Recalculation Date”*** means the Valuation Date that gives rise to the dispute under Paragraph 5; *provided, however,* that if a subsequent Valuation Date occurs under Paragraph 3 prior to the resolution of the dispute, then the “Recalculation Date” means the most recent Valuation Date under Paragraph 3.

***“Resolution Time”*** has the meaning specified in Paragraph 13.

***“Return Amount”*** has the meaning specified in Paragraph 3(b).

***“Secured Party”*** means either party, when that party (i) makes a demand for or is entitled to receive Eligible Credit Support under Paragraph 3(a) or (ii) holds or is deemed to hold Posted Credit Support.

**“Specified Condition”** means, with respect to a party, any event specified as such for that party in Paragraph 13.

**“Substitute Credit Support”** has the meaning specified in Paragraph 4(d)(i).

**“Substitution Date”** has the meaning specified in Paragraph 4(d)(ii).

**“Threshold”** means, with respect to a party, the amount specified as such for that party in Paragraph 13; if no amount is specified, zero.

**“Transfer”** means, with respect to any Eligible Credit Support, Posted Credit Support or Interest Amount, and in accordance with the instructions of the Secured Party, Pledgor or Custodian, as applicable:

(i) in the case of Cash, payment or delivery by wire transfer into one or more bank accounts specified by the recipient;

(ii) in the case of certificated securities that cannot be paid or delivered by book-entry, payment or delivery in appropriate physical form to the recipient or its account accompanied by any duly executed instruments of transfer, assignments in blank, transfer tax stamps and any other documents necessary to constitute a legally valid transfer to the recipient;

(iii) in the case of securities that can be paid or delivered in book-entry, the giving of written instruments to the relevant depository institution or other entity specified by the recipient, together with a written copy thereof to the recipient, sufficient if complied with to result in a legally effective transfer of the relevant interest to the recipient; and

(iv) in the case of Other Eligible Support or Other Posted Support, as specified in Paragraph 13.

**“Valuation Agent”** has the meaning specified in Paragraph 13.

**“Valuation Date”** means each date specified in or otherwise determined pursuant to Paragraph 13.

**“Valuation Percentage”** means, for any item of Eligible Collateral, the percentage specified in Paragraph 13.

**“Valuation Time”** has the meaning specified in Paragraph 13.

**“Value”** means for any Valuation Date or other date for which Value is calculated, and subject to Paragraph 5 in the case of a dispute, with respect to:

(i) Eligible Collateral or Posted Collateral that is:

(A) Cash, the amount thereof; and

(B) a security, the bid price obtained by the Valuation Agent multiplied by the applicable Valuation Percentage, if any;

(ii) Posted Collateral that consists of items that are not specified as Eligible Collateral, zero; and

(iii) Other Eligible Support and Other Posted Support, as specified in Paragraph 13.

### **Paragraph 13. Elections and Variables**

(a) **Security Interest for “Obligations”**. The term **“Obligations”** as used in this Annex includes the following additional obligations:

With respect to Party A: Not applicable.

With respect to Party B: Not applicable.

(b) **Credit Support Obligations.**

(i) **Delivery Amount, Return Amount and Credit Support Amount.**

- (A) **“Delivery Amount”** has the meaning specified in Paragraph 3(a).
- (B) **“Return Amount”** has the meaning specified in Paragraph 3(b).
- (C) **“Credit Support Amount”** means, for any Valuation Date (1) 103% of the Secured Party’s Exposure for that Valuation Date plus (ii) the aggregate of all Independent Amounts applicable to the Pledgor, if any minus (iii) the Pledgor’s Threshold; provided, however, that (x) in the case where the sum of the Independent Amounts applicable to Pledgor exceed zero, the Credit Support Amount will not be less than the sum of all Independent Amounts applicable to the Pledgor and (y) in all other cases, the Credit Support Amount will be deemed to be zero whenever the calculation of Credit Support Amount yields an amount less than zero.

(ii) **Eligible Collateral.** The following items will qualify as **“Eligible Collateral”** for the party specified:

	<u>Collateral Type</u>	<u>Party A</u>	<u>Party B</u>	<u>Valuation Percentage</u>
(A)	Cash, in the form of U.S. Dollars.	[X]	[N/A]	100%
(B)	negotiable debt obligations issued by the U.S. Treasury Department having a maturity at issuance of not more than one year.	[X]	[N/A]	100%
(C)	negotiable debt obligations issued by the U.S. Treasury Department having a maturity at issuance of more than one year but not more than ten years.	[X]	[N/A]	100%
(D)	negotiable debt obligations issued by the U.S. Treasury Department having a maturity at issuance of more than ten years.	[X]	[N/A]	100%
(E)	negotiable debt obligations which are fully guaranteed as to both principal and interest by the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation that are <u>not</u> pass-throughs, multi-class or multi-branch securities or paying interest only or principal only.	[X]	[N/A]	100%

(iii) **Other Eligible Support.** The following items will qualify as “Other Eligible Support” for the party specified: Not applicable.

(iv) **Thresholds.**

(A) **“Independent Amount”** shall mean an amount, if any, as set forth in a confirmation with respect to Party A.

**“Independent Amount”** shall mean an amount, if any, as set forth in a confirmation with respect to Party B.

(B) **“Rated Debt”** means the long term unsecured debt of Lehman Brothers Holdings Inc. in the case of Party A, which is rated by both Moody’s Investors Service, Inc. (“Moody’s”) and Standard & Poor’s Rating Services, A Division of The McGraw-Hill Companies, Inc. (“S&P”).

(C) **“Threshold”** means, with respect to Pledgor, the amount corresponding to the rating of the Rated Debt of Pledgor as set forth in the table below, provided that (I) if Moody’s and S&P have assigned ratings at different levels for any issue of Rated Debt, the lower of such ratings shall be used for purposes hereof and (II) if (1) an Event of Default or Additional Termination Event has occurred and is continuing, then the Threshold amount with respect to the Defaulting Party or Affected Party shall be zero and (2) if Pledgor ceases to be rated by either Moody’s or S&P or ceases to have Rated Debt, then the Threshold amount with respect to Pledgor shall be zero.

<u>S&amp;P’s Rating</u>	<u>Moody’s Rating</u>	<u>Threshold</u>
AAA	Aaa	Unlimited
AA+	Aa1	Unlimited
AA	Aa2	Unlimited
AA-	Aa3	Unlimited
A+	A1	Unlimited
A	A2	Unlimited
A-	A3	\$250,000
BBB+	Baa1	\$250,000
BBB	Baa2	\$250,000
BBB-	Baa3	\$250,000
below BBB- or if Pledgor ceases to have Rated Debt.	below Baa3 or if Pledgor ceases to have Rated Debt.	----0----

The ratings set forth above are based on the long-term, uncollateralized, unenhanced, unsubordinated debt obligations of Lehman Brothers Holding Inc.

- (D) **“Minimum Transfer Amount”** means, with respect to a party, \$200,000; provided, that if an Event of Default has occurred and is continuing, the Minimum Transfer Amount with respect to such party shall be zero.
- (E) **Rounding.** The Delivery Amount and the Return Amount will be rounded up and down respectively to the nearest integral multiple of \$1,000.
- (c) **Valuation and Timing.**
  - (i) **“Valuation Agent”** means Party A, unless Party A is a Defaulting Party, in which case the Valuation Agent will be a third party reasonably acceptable to Party A and to Party B.
  - (ii) **“Valuation Date”** means the last Business Day of each week.
  - (iii) **“Valuation Time”** means the close of business on each Valuation Date in the location where the relevant product is traded provided that the calculations of Value and Exposure will be made as of approximately the same time on the same date.
  - (iv) **“Notification Time”** means by 3:00 p.m., New York time, on a Local Business Day.
- (d) **Conditions Precedent and Secured Party’s Rights and Remedies.** There shall be no “Specified Condition” with respect to either party for purposes of this Annex.
- (e) **Substitution**
  - (i) **“Substitution Date”** has the meaning specified in Paragraph 4(d)(ii), unless otherwise specified here: Not later than two (2) Local Business Days following the Secured Party’s receipt of Substitute Credit Support.
  - (ii) **Consent.** The Pledgor need not obtain the Secured Party’s consent for any substitution pursuant to Paragraph 4(d).
- (f) **Dispute Resolution**
  - (i) **“Resolution Time”** means 1:00 p.m. New York time on the fifth Local Business Day following the time at which notice is given that gives rise to a dispute under Paragraph 5.
  - (ii) **“Value.”** For the purpose of Paragraph 5(i)(c) and 5(ii), the Value of Posted Credit Support other than Cash will be calculated as follows:

With respect to any Treasury Bills, Treasury Notes, Treasury Bonds or Agency Securities (referred to herein as “Government Obligations”) the sum of (I)(x) the mean of the high bid and low asked prices quoted on such date by any principal market maker for such Government Obligations chosen by the Disputing Party, or (y) if no quotations are available from a principal market maker for such date, the mean of such high bid and low asked prices as of the day, next preceding such date, on which such quotations were available, plus (II) the accrued interest on such Government Obligations (except to the extent Transferred to a party pursuant to this Agreement or included in the applicable price referred to in (I) of this Clause) as of such date.
  - (iii) **Alternative.** Not Applicable.
- (g) **Holding and Using Posted Collateral.**

(i) ***Eligibility to Hold Posted Collateral; Custodians.***

Party A and or its Custodian will be entitled to hold Posted Collateral pursuant to Paragraph 6(b), provided that the following conditions applicable to it are satisfied:

- (1) Party A: Party A is not a Defaulting Party.
- (2) The Custodian, if any, is either (a) a wholly owned, direct or indirect, subsidiary of Lehman Brothers Holdings Inc. or (b) bank or trust company located in the State of New York having total assets of at least \$100,000,000.

Initially, the Custodian for Party A is: Not applicable.

Party B and its Custodian will be entitled to hold Posted Collateral pursuant to Paragraph 6(b), provided that the following conditions applicable to it are satisfied:

- (1) Party B is not a Defaulting Party.
- (2) The Custodian, if any, is a bank or trust company located in the State of New York having total assets of at least \$100,000,000.

Initially, the Custodian for Party B is: \_\_\_\_\_.

- (ii) ***“Use of Posted Collateral”*** The provisions of Paragraph 6(c) will apply to Party A and Party B.

(h) ***Distributions and Interest Amount.***

- (i) ***“Interest Rate.”*** The Interest Rate will be the rate per annum equal to the overnight Federal Funds Rate for each day cash is held by the Secured Party as reported in Federal Reserve Publication H.15-519.
- (ii) ***“Transfer of Interest Amount.”*** The Transfer of the Interest Amount will be made on the last Local Business Day of each calendar month and on any Local Business Day that Posted Collateral in the form of Cash is Transferred to the Pledgor pursuant to Paragraph 3(b).
- (iii) ***“Alternative to Interest Amount.”*** Not applicable.

- (i) ***Additional Representation(s).*** Not applicable.

(j) ***Other Eligible Support and Other Posted Support.***

- (i) ***“Value”*** with respect to Other Eligible Support and Other Posted Support means: Not applicable.
- (ii) ***“Transfer”*** with respect to Other Eligible Support and Other Posted means: Not applicable.

- (k) ***Demands and Notices.*** All demands, specifications and notices made by a party to this Annex will be made pursuant to the Notices Section of this Agreement.

(l) ***Addresses for Transfers.***

Party A:

- (i) In the case of cash, by wire transfer of immediately available funds for credit to a bank account of Party A to be designated in Party A's demand for the Delivery Amount or Return Amount, as applicable.
- (ii) In the case of securities or obligations that can be paid or delivered by book-entry on the records of U.S. Federal Reserve Banks, delivery to Chase, for credit to the account of Lehman Brothers Inc., as agent for Party A (in telegraphic abbreviation, JP MORGAN CHASE NYC/LEHMAN, ABA #021000021).

Party B:

Delivery Instructions will be provided by Party B to Party A in writing.

(m) ***Other Provisions.***

(i) **Agreement as to Single Secured Party and Pledgor.** Party A and Party B agree that, notwithstanding anything to the contrary in the recital to this Annex, Paragraph 1(b) or Paragraph 2 or the definitions in Paragraph 12, (a) the term "**Secured Party**" as used in this Annex means only Party B, (b) the term "**Pledgor**" as used in this Annex means only Party A, (c) only Party A makes the pledge and grant in Paragraph 2, the acknowledgment in the final sentence of Paragraph 8(a) and the representations in Paragraph 9 and (d) only Party A will be required to make Transfers of Eligible Credit Support hereunder.

SCHEDULE  
to the  
MASTER AGREEMENT  
dated as of October 26, 2005  
between  
LEHMAN BROTHERS SPECIAL FINANCING INC. ("Party A"),  
a corporation organized under  
the laws of  
the State of Delaware  
and  
ADVENTIST HEALTHCARE, INC. ("Party B"),  
a Maryland not-for-profit corporation

**Part 1. Termination Provisions.**

In this Agreement:—

(a) **"Specified Entity"** means in relation to Party A for the purpose of:—

Section 5(a)(v) (Default under Specified Transaction),	Not Applicable.
Section 5(a)(vi) (Cross Default),	Not Applicable.
Section 5(a)(vii) (Bankruptcy),	Not Applicable.
Section 5(b)(ii) (Credit Event Upon Merger),	Not Applicable.

and in relation to Party B for the purpose of:—

Section 5(a)(v) (Default under Specified Transaction),	Not applicable.
Section 5(a)(vi) (Cross Default),	Not applicable.
Section 5(a)(vii) (Bankruptcy),	Not applicable.
Section 5(b)(ii) (Credit Event Upon Merger),	Not applicable.

- (b) **“Specified Transaction”** will have the meaning specified in Section 12 of this Agreement.
- (c) The **“Cross Default”** provisions of Section 5(a)(vi) will apply to Party A and Party B.

The following provisions apply:—

**“Specified Indebtedness”** will have the meaning specified in Section 12 of this Agreement.

**“Threshold Amount”** means, the lesser of (i) \$75,000,000 or (ii) two percent (2%) of the Stockholders’ Equity of Lehman Brothers Holdings Inc. (“Lehman Brothers Holdings Inc.” or “Holdings”), in the case of Party A and Holdings (or its equivalent in any other currency), and \$10,000,000, in the case of Party B.

For purposes hereof, “Stockholders’ Equity” means with respect to an entity, at any time, the sum at such time of (i) its capital stock (including preferred stock) outstanding, taken at par value, (ii) its capital surplus and (iii) its retained earnings, minus (iv) treasury stock, each to be determined in accordance with generally accepted accounting principles consistently applied.

- (d) The **“Credit Event Upon Merger”** provisions of Section 5(b)(ii) will apply to Party A and Party B; provided, however, that the term “materially weaker” means, with respect to Party A, that Lehman Brothers Holdings Inc. or the resulting, surviving or transferee entity of Holdings, as the case may be, fails to maintain a long-term senior unsecured debt rating of at least A3 as determined by Moody’s Investors Service, Inc. (“Moody’s”) and A- as determined by Standard & Poor’s Ratings Services, a division of The McGraw-Hill Companies, Inc. (“S&P”). In the event of a split rating, the lower rating shall be determinative.
- (e) The **“Automatic Early Termination”** provisions of Section 6(a) will not apply to either Party A or Party B.
- (f) **Payments on Early Termination.** For the purpose of Section 6(e) of this Agreement, Market Quotation and the Second Method will apply.
- (g) **Additional Termination Event** will apply. The following shall constitute Additional Termination Events:—
  - (i) The rating of the long-term unsecured, unenhanced, senior debt of Holdings shall be withdrawn, suspended or reduced below the Threshold Rating by either of the following rating agencies (the “Rating Agencies”): Moody’s Investors Service, Inc. (“Moody’s”) and Standard & Poor’s Ratings Group, a Division of The McGraw-Hill Companies, Inc. (“Standard & Poor’s”). The “Threshold Rating” shall be “Baa3,” in the case of Moody’s, and “BBB-,” in the case of Standard & Poor’s. For the purpose of the foregoing Termination Event, the Affected Party shall be Party A.
  - (ii) The rating of the long-term unsecured, unenhanced, senior debt of Party B shall be withdrawn, suspended or reduced below the Threshold Rating by either of the following rating agencies: Moody’s and Standard & Poor’s. For the purpose of the foregoing Termination Event, the Affected Party shall be Party B.

## Part 2. Agreement to Deliver Documents.

For the purpose of Section 4(a) of this Agreement, each party agrees to deliver the following documents, as applicable:—

<u>Party required to deliver document</u>	<u>Form/Document/Certificate</u>	<u>Date by which to be Delivered</u>	<u>Covered by Section 3(d)</u>
Party A	A guarantee of Holdings in the form of Exhibit A to this Schedule.	Upon execution of this Agreement.	Yes
Party A	An opinion of counsel to Party A substantially in the form of Exhibit B to this Schedule.	Promptly after execution of this Agreement.	No
Party B	An opinion of counsel to Party B in substantially the form of Exhibit C to this Schedule.	Upon the execution of this Agreement and, with respect to each Transaction, upon the execution of such Transaction.	No
Party B	An incumbency certificate with respect to the signatory of this Agreement.	Upon the execution of this Agreement and, with respect to each Transaction, upon the execution of such Transaction.	Yes
Party B	A certified copy of the resolution or resolutions (or the equivalent thereof) of the governing body of Party B, certified by an appropriate official of Party B, pursuant to which Party B is authorized to enter into this Agreement and each Transaction.	Prior to the execution of this Agreement and, with respect to each Transaction, prior to the execution of such Transaction.	Yes
Party B	A certificate from the Chief Executive Officer or the Chief Financial Officer of Party B, or the equivalent of any thereof, to the effect that any requirements of Party B's charter and/or by laws have been satisfied, substantially in the form of Exhibit E to this Schedule.	Upon the execution of this Agreement and, with respect to each Transaction, upon the execution of such Transaction.	Yes
Party B	The MTI Obligation	Upon the execution of this Agreement.	Yes
Party A and Party B	A copy of the annual report (i) in the case of Party A, of its Credit Support Provider and (ii) in the case of Party B, Party B, containing audited consolidated financial statements for such fiscal year certified by independent public accountants and prepared in accordance with generally accepted accounting principles consistently applied.	Upon request from the other party and to the extent publicly available.	Yes
Party B	An executed copy of the Covered Indenture.	Upon the execution of this Agreement and, with respect to each Transaction, prior to the execution of such Transaction.	Yes

<u>Party required to deliver document</u>	<u>Form/Document/Certificate</u>	<u>Date by which to be Delivered</u>	<u>Covered by Section 3(d)</u>
Party A	Report providing an estimate of the then current market value of the Transactions.	Monthly or at the reasonable request of Party B, provided that the failure to deliver such document shall not result in any Event of Default or Potential Event of Default.	

**Part 3. Miscellaneous.**

- (a) **Addresses for Notices.** For the purpose of Section 10(a) to this Agreement:—

Address for notices or communications to Party A:—

Address: 745 Seventh Avenue, 16<sup>th</sup> Floor, New York, NY 10019

Attention: Municipal Financial Products - Middle Office

Facsimile No.: 646-758-2988

Telephone No.: 212-526-2240

Address for notices or communications to Party B:—

1801 Research Blvd., Suite 300, Rockville, MD 20850

Attention: James G. Lee, Senior Vice President & CFO

Facsimile No.: 301-315-3011

Telephone No.: 301-315-3025

- (b) **Calculation Agent.** The Calculation Agent is Party A, unless Party A is a Defaulting Party, in which case the Calculation Agent will be a third party reasonably acceptable to Party A and to Party B.
- (c) **Credit Support Document.** Details of any Credit Support Document:—
- In the case of Party A, a guarantee of Party A's obligations hereunder in the form annexed hereto as Exhibit B and the ISDA Credit Support Annex annexed hereto as Exhibit G and incorporated by reference herein.
- In the case of Party B, the MTI Obligation issued pursuant to the Covered Indenture.
- (d) **Credit Support Provider.** Credit Support Provider means in relation to Party A: Holdings.
- (e) **Governing Law.** This Agreement will be governed by and construed in accordance with the laws of the State of New York (without reference to choice of law doctrine).

- (f) **Netting of Payments.** Subparagraph (ii) of Section 2(c) of this Agreement will not apply to all Transactions.
- (g) **"Affiliate"** will have the meaning specified in Section 12 of this Agreement.
- (h) **"Covered Indenture"** means the Amended and Restated Master Trust Indenture, dated as of February 1, 2003, as supplemented and amended by the First Supplemental Master Trust Indenture dated as of December 1, 2005 the "Related Supplement") between the Members of the Obligated Group (as defined therein) and, the Trustee (as defined therein) as amended and supplemented prior to the date hereof in accordance with the terms thereof and as amended and supplemented following the date hereof in accordance with the terms hereof and thereof.
- (i) **"Covered Indenture Incorporation Date"** means the date of this Agreement.

#### Part 4. Other Provisions.

##### (a) **Agreements.**

- (i) The introductory clause of Section 4 of this Agreement is hereby amended to read in its entirety as follows:—

"Each party agrees with the other (or, in the case of Section 4(d) and (e), Party B agrees with the other party) that, so long as either party has or may have any obligation under this Agreement or under any Credit Support Document to which it is a party:—".

- (ii) Section 4 of this Agreement is hereby amended by adding the following subsections "(d)" and "(e)" thereto:—

"(d) **Compliance with Covered Indenture.** Party B will observe, perform and fulfill each provision in the Covered Indenture applicable to Party B in effect on the Covered Indenture Incorporation Date, as any of those provisions may be amended, supplemented or modified for purposes of this Agreement with the prior written consent of the other party hereto (the "Incorporated Provisions"), with the effect that such other party hereto will have the benefit of each of the Incorporated Provisions (including without limitation, covenants, right to consent to certain actions subject to consent under the Covered Indenture and delivery of financial statements and other notices and information). In the event the Covered Indenture ceases to be in effect prior to the termination of this Agreement, the Incorporated Provisions (other than those provisions requiring payments in respect of bonds, notes, warrants or other similar instruments issued under the Covered Indenture) will remain in full force and effect for purposes of this Agreement as though set forth herein until such date on which all of the obligations of Party B under this Agreement and any obligations of Party B or any Credit Support Provider of Party B under a Credit Support Document have been fully satisfied. The Incorporated Provisions are hereby incorporated by reference and made a part of this Agreement to the same extent as if such provisions were set forth herein. For purposes of this Agreement, the Incorporated Provisions shall be construed as though (i) all references therein to any party making loans, extensions of credit or financial accommodations thereunder or commitments therefor (the "Financings") were to the other party hereto and (ii) to the extent that such Incorporated Provisions are conditioned on or relate to the existence of such Financings or Party B having any obligations in connection therewith, all references to such Financings or obligations were to the obligations of Party B under this Agreement. Any amendment, supplement, modification or waiver of any of the Incorporated Provisions without the prior written consent of the other party hereto shall have no force and effect with respect to this Agreement. Any amendment,

supplement or modification for which such consent is obtained shall be part of the Incorporated Provisions for purposes of this Agreement.

- (e) **Security and Source of Payment of Party B's Obligations.** The obligations of Party B under the MTI Obligation are pari passu, and on parity with the Obligations (as defined in the Covered Indenture) issued heretofore or hereafter under the Covered Indenture (as hereinafter defined)."
- (b) Definitions. Section 12 of this Agreement is hereby amended to add the following definitions in their appropriate alphabetical order:—
  - " **'Covered Indenture'** has the meaning specified in the Schedule."
  - " **'Covered Indenture Incorporation Date'** has the meaning specified in the Schedule."
  - " **'MTI Obligation'** means the regularly scheduled payments required to be made by Party B and any amount payable by Party B upon any Early Termination Date pursuant to the Master Agreement, Schedule to the Master Agreement or Confirmation dated October 26, 2005 that constitute Obligations (as defined in the Covered Indenture) pursuant to the Covered Indenture."

Miscellaneous:

- (c) This Agreement is hereby amended by adding the following Section "13" hereto:—

**"13. Relationship Between Parties**

Each party will be deemed to represent to the other party on the date on which it enters into a Transaction that (absent a written agreement between the parties that expressly imposes affirmative obligations to the contrary for that Transaction):-

- (a) **Non-Reliance.** It is acting for its own account, and it has made its own independent decisions to enter into that Transaction and as to whether that Transaction is appropriate or proper for it based upon its own judgment and upon advice from such advisors as it has deemed necessary. It is not relying on any communication (written or oral) of the other party as investment advice or as a recommendation to enter into that Transaction; it being understood that information and explanations related to the terms and conditions of a Transaction shall not be considered investment advice or a recommendation to enter into that Transaction. It has not received from the other party any assurance or guarantee as to the expected results of that Transaction.
  - (b) **Assessment and Understanding.** It is capable of assessing the merits of and understanding (on its own behalf or through independent professional advice), and understands and accepts, the terms, conditions and risks of that Transaction. It is also capable of assuming, and assumes, the risks of that Transaction.
  - (c) **Status of Parties.** The other party is not acting as a fiduciary for or as an advisor to it in respect of the Transaction.
  - (d) **Eligible Contract Participant.** It is an "eligible contract participant within the meaning of Section 1(a)(12) of the Commodity Exchange Act."
- (d) **Set-off.** Section 6 of this Agreement is hereby amended by adding the following new subsection 6(f):
    - "(f) **Set-off.**

- (i) In addition to any rights of set-off a party may have as a matter of law or otherwise, upon the occurrence of an Event of Default or an Additional Termination Event and the designation of an Early Termination Date pursuant to Section 6 of the Agreement with respect to a party ("X"), the other party ("Y") will have the right (but not be obligated) without prior notice to X or any other person to set-off or apply any obligation of X owed to Y (and to any Affiliate of Y) (whether or not matured or contingent and whether or not arising under this Agreement, and regardless of the currency, place of payment or booking office of the obligation.) against any obligation of Y (and of any Affiliate of Y) owed to X (whether or not matured or contingent and whether or not arising under this Agreement, and regardless of the currency, place of payment or booking office of the obligation.)
  - (ii) For the purpose of cross-currency set-off, Y may convert either obligation at the applicable market exchange rate selected by Y on the relevant date.
  - (iii) If the amount of an obligation is unascertained, Y may in good faith estimate that amount and set-off in respect of the estimate, subject to the relevant party accounting to the other when the amount of the obligation is ascertained,
  - (iv) This clause (f) shall not constitute a mortgage, charge, lien or other security interest upon any of the property or assets of either party to this Agreement."
- (c) **Transfer.** Notwithstanding anything to the contrary in Section 7 of this Agreement, Party A may assign its rights and obligations under this Agreement, in whole and not in part, to any Affiliate of Holdings effective upon delivery to Party B of a guarantee by Holdings, in favor of Party B, of the obligations of such Affiliate, such guarantee to be otherwise identical to the guarantee then effect of the obligations of the transferor.

Section 7 of the Agreement is hereby amended by adding after subparagraph (b) thereof the following subparagraph (c):

- "(c) in addition to, and not in lieu of, the preceding transfer rights, Party B may assign its rights and obligations under any Transaction governed by this Agreement, in whole but not in part, upon not less than ten (10) Business Days' prior written notice, provided that: (i) no Event of Default, Potential Event of Default or Termination Event has occurred and is continuing in which Party B is the Defaulting Party or Affected Party; (ii) such assignment is a complete and unconditional assumption by the assignee, in form acceptable to Party A, of Party B's obligations under such Transaction arising from and after the effective date of assignment; (iii) prior to or concurrently with such assignment, Party B pays to Party A any and all amounts accrued under this Agreement in respect of such Transaction to but excluding the effective date of such assignment (regardless of whether such amounts would have otherwise been due and payable on such date); and (iv) the assignee is a Reference Market-maker, with whom Party A has executed an ISDA Master Agreement containing standard inter-dealer arrangements and with whom Party A has an active trading line, with sufficient trading capacity to enter into such Transaction based upon Party A's then-current credit and legal policies and standard criteria (the satisfaction of which shall be determined in Party A's sole discretion); provided further, however, that until execution of the assignment Confirmation by all parties thereto, the exercise by Party B of its option hereunder shall not prevent either party from designating an Early Termination Date in accordance with the provisions of Section 6 of this Agreement (as the result of the occurrence of an Event of Default or Termination Event), to be effective on any date prior to the designated date for such assignment."

- (f) **Notices.** For the purposes of subsections (iii) and (v) of Section 10(a), the date of receipt shall be presumed to be the date sent if sent on a Local Business Day or, if not sent on a Local Business Day, the date of receipt shall be presumed to be the first Local Business Day following the date sent,
- (g) **Outstanding Specified Transactions.** Upon the effectiveness of this Agreement, unless otherwise agreed to in writing by the parties to this Agreement with respect to enumerated Specified Transactions, all Specified Transactions then outstanding between the parties shall be subject to the terms hereof.
- (h) **Waiver of Trial by Jury.** Insofar as is permitted by law, each party irrevocably waives any and all rights to trial by jury in any legal proceeding in connection with this Agreement or any Transaction, and acknowledges that this waiver is a material inducement to the other party's entering into this Agreement and each Transaction hereunder.
- (i) **Accuracy of Specified Information.** Section 3(d) is hereby amended by adding in the third line thereof after the word "respect" and before the period the words "or, in the case of audited or unaudited financial statements or balance sheets, a fair presentation of the financial condition of the relevant person."

The parties executing this Schedule have executed the Master Agreement and have agreed as to the contents of this Schedule.

LEHMAN BROTHERS SPECIAL FINANCING INC.

By: \_\_\_\_\_  
Name: T. Courtney Jenkins  
Title: Vice President

ADVENTIST HEALTHCARE, INC

By: \_\_\_\_\_  
Title: SVP, CFO

EXHIBIT A to Schedule  
GUARANTEE OF LEHMAN BROTHERS HOLDINGS INC.

LEHMAN BROTHERS SPECIAL FINANCING INC. ("Party A") and [COUNTERPARTY] ("Party B") have entered into a Master Agreement dated as of [date] (the "Master Agreement"), pursuant to which Party A and Party B have entered and/or anticipate entering into one or more transactions (each a "Transaction"), the Confirmation of each of which supplements, forms part of, and will be read and construed as one with, the Master Agreement (collectively referred to as the "Agreement"). This Guarantee is a Credit Support Document as contemplated in the Agreement. For value received, and in consideration of the financial accommodation accorded to Party A by Party B under the Agreement, LEHMAN BROTHERS HOLDINGS INC., a corporation organized and existing under the laws of the State of Delaware ("Guarantor"), hereby agrees to the following:

(a) Guarantor hereby unconditionally guarantees to Party B the due and punctual payment of all amounts payable by Party A under each Transaction when and as Party A's obligations thereunder shall become due and payable in accordance with the terms of the Agreement. In case of the failure of Party A to pay punctually any such amounts, Guarantor hereby agrees, upon written demand by Party B, to pay or cause to be paid any such amounts punctually when and as the same shall become due and payable.

(b) Guarantor hereby agrees that its obligations under this Guarantee constitute a guarantee of payment when due and not of collection.

(c) Guarantor hereby agrees that its obligations under this Guarantee shall be unconditional, irrespective of the validity, regularity or enforceability of the Agreement against Party A (other than as a result of the unenforceability thereof against Party B), the absence of any action to enforce Party A's obligations under the Agreement, any waiver or consent by Party B with respect to any provisions thereof, the entry by Party A and Party B into additional Transactions under the Agreement or any other circumstance which might otherwise constitute a legal or equitable discharge or defense of a guarantor (excluding the defense of payment or statute of limitations, neither of which is waived) provided, however, that Guarantor shall be entitled to exercise any right that Party A could have exercised under the Agreement to cure any default in respect of its obligations under the Agreement or to setoff, counterclaim or withhold payment in respect of any Event of Default or Potential Event of Default in respect of Party B or any Affiliate, but only to the extent such right is provided to Party A under the Agreement. The Guarantor acknowledges that Party A and Party B may from time to time enter into one or more Transactions pursuant to the Agreement and agrees that the obligations of the Guarantor under this Guarantee will upon the execution of any such Transaction by Party A and Party B extend to all such Transactions without the taking of further action by the Guarantor.

(d) This Guarantee shall remain in full force and effect until such time as Party B shall receive written notice of termination. Termination of this Guarantee shall not affect Guarantor's liability hereunder as to obligations incurred or arising out of Transactions entered into prior to the termination hereof.

(e) Guarantor further agrees that this Guarantee shall continue to be effective or be reinstated, as the case may be, if at any time, payment, or any part thereof, of any obligation or interest thereon is rescinded or must otherwise be restored by Party B upon an Event of Default as set forth in Section 5(a)(vii) of the Master Agreement affecting Party A or Guarantor.

(f) Guarantor hereby waives (i) promptness, diligence, presentment, demand of payment, protest, order and, except as set forth in paragraph (a) hereof, notice of any kind in connection with the Agreement and this Guarantee, or (ii) any requirement that Party B exhaust any right to take any action against Party A or any other person prior to or contemporaneously with proceeding to exercise any right against Guarantor under this Guarantee.

This Guarantee shall be governed by and construed in accordance with the laws of the State of New York, without reference to choice of law doctrine. All capitalized terms not defined in this Guarantee, but defined in the Agreement, shall have the meanings assigned thereto in the Agreement.

Any notice hereunder will be sufficiently given if given in accordance with the provisions for notices under the Agreement and will be effective as set forth therein. All notices hereunder shall be delivered to Lehman Brothers Special Financing Inc., Attention: Transaction Management – Municipal Financial Products, 745 Seventh Avenue, New York, NY 10019 with a copy to Lehman Brothers Holdings Inc., Attention: Corporate Counsel, 1301 Avenue of the Americas, New York, NY 10019.

IN WITNESS WHEREOF, Guarantor has caused this Guarantee to be executed in its corporate name by its duly authorized officer as of the date of the Agreement.

LEHMAN BROTHERS HOLDINGS INC.

By: \_\_\_\_\_  
Name:  
Title:

EXHIBIT B to Schedule

[Form of Opinion of Counsel to  
Lehman Brothers Special Financing Inc. and  
Lehman Brothers Holdings Inc.]

December 20, 2005

Adventist HealthCare, Inc.  
Rockville, MD

Ladies and Gentlemen:

I have acted as counsel to Lehman Brothers Special Financing Inc., a Delaware corporation ("Party A") and Lehman Brothers Holdings Inc., a Delaware corporation ("Guarantor"), and am familiar with matters pertaining to the execution and delivery of the Master Agreement (including the Schedule and Credit Support Annex, dated as of October 26, 2005 (the "Master Agreement") by and between Party A and Adventist HealthCare, Inc. ("Party B") and the guarantee of the Guarantor (the "Guarantee") delivered in connection with the Master Agreement. The Master Agreement is to be supplemented by confirmations of transactions entered into by Party A and Party B from time to time (each a "Confirmation") and the Master Agreement together with all such Confirmations shall constitute one agreement.

In connection with this opinion, I have examined, or have had examined on my behalf, an executed copy of the Master Agreement and the Guarantee, certificates and statements of public officials and officers of Party A and Guarantor and such other agreements, instruments, documents and records as I have deemed necessary or appropriate for the purposes of this opinion.

Except as expressly set forth herein, no independent investigation (including, without limitation, conducting any review, search or investigation of any public files, records or dockets) has been undertaken to determine the existence or absence of the facts that are material to my opinions, and no inference as to my knowledge concerning such facts should be made.

When used herein the phrase "to my knowledge" means to my actual knowledge without independent investigation.

References in this letter to "Applicable Laws" are to those laws, rules and regulations of the State of New York which, in my experience, are normally applicable to transactions of the type contemplated by the Master Agreement and the Guarantee. References in this letter to "Governmental Authorities" are to executive, legislative, judicial, administrative or regulatory bodies of the State of New York. References in this letter to "Governmental Approval" are to any consent, approval, license, authorization or validation of, or filing, recording or registration with, any Governmental Authority pursuant to Applicable Laws.

Based on the foregoing but subject to the assumptions, exceptions, qualifications and limitations hereinafter expressed, I am of the opinion that:

1. Each of Party A and Guarantor is a corporation duly incorporated, validly existing and in good standing under the laws of the State of Delaware.

2. The execution, delivery and performance of the Master Agreement in the case of Party A, and the Guarantee, in the case of Guarantor, are within its corporate power, have been duly authorized by all corporate action and do not conflict with any provision of its certificate of incorporation or by-laws.
3. The Master Agreement, in the case of Party A, and the Guarantee, in the case of Guarantor, have been duly executed and delivered and each constitutes a legal, valid and binding obligation, enforceable against Party A or the Guarantor as applicable in accordance with its respective terms.
4. To the best of my knowledge, no Governmental Approval is required in connection with the execution, delivery and performance of the Master Agreement in the case of Party A, or the Guarantee, in the case of Guarantor, except those that have been obtained and, to my knowledge, are in effect.

The foregoing opinions are subject to the following assumptions, exceptions, qualifications and limitations:

A. My opinion in paragraph 3 above is subject to: (i) bankruptcy, insolvency, reorganization, receivership, moratorium or similar laws affecting creditors' rights generally (including, without limitation, the effect of statutory or other laws regarding fraudulent or other similar transfers or conveyances); (ii) general principles of equity, regardless of whether enforceability is considered in a proceeding in equity or at law; (iii) laws and considerations of public policy that may limit the enforceability of provisions (a) regarding indemnification and contribution rights and obligations, (b) regarding the waiver or limitation of rights to trial by jury, oral amendments to written agreements or rights of setoff, (c) relating to submission to jurisdiction, venue or service of process, and (d) purporting to prohibit or restrict, or require the consent of the "account debtor" (as defined in Section 9-102 of the Uniform Commercial Code as in effect in the State of New York (the "NYUCC" )) for, the creation, perfection or enforcement of a security interest in "accounts" or "general intangibles" (in each case, as defined in Section 9-102 of the NYUCC).

B. I am a member of the Bar of the State of New York and render no opinion on the laws of any jurisdiction other than the laws of the State of New York and the General Corporation Law of the State of Delaware. Except as described, I have not examined, or had examined on my behalf, and I do not express any opinion with respect to, Delaware law.

C. My opinions are limited to the present laws and to the facts as they presently exist, and no opinion is to be inferred or implied beyond the matters expressly so stated. I assume no obligation to revise or supplement this opinion should the present laws of the jurisdictions referred to in paragraph B above be changed by legislative action, judicial decision or otherwise.

D. This letter is rendered solely to you solely for your benefit in connection with the Master Agreement and the Guarantee and the transactions related thereto and may not be relied upon by any other person, entity or agency or by you in any other context or for any other purpose. This letter may not be circulated, used or quoted in whole or in part, nor may copies thereof be furnished or delivered to any other person, without the prior written consent of Lehman Brothers Holdings Inc., except that you may furnish copies hereof (i) to your independent auditors and attorneys, (ii) to any United States, state or local authority having jurisdiction over you or over Party A or Guarantor, (iii) pursuant to the order of any legal process of any court of competent jurisdiction or any governmental agency, (iv) in connection with any legal action arising out of the Master Agreement or the Guarantee and (v) a copy may be included in a transcript related to the execution of the Master Agreement.

E. I have assumed with your permission (i) the genuineness of all signatures by each party other than Party A or Guarantor, (ii) the authenticity of documents submitted to me as originals and the conformity to authentic original documents of all documents submitted to me as copies, (iii) the accuracy of the matters set forth in the documents, agreements and instruments I reviewed, (iv) that each party other than Party A and Guarantor is duly organized, validly existing and in good standing under the laws of its jurisdiction of organization, (v) the due execution and delivery, pursuant to due authorization, of the Master Agreement by each party other than Party A, and (vi) that the Master Agreement is the legal, valid, binding and enforceable obligation of each party other than Party A, enforceable against each such party in accordance with its terms.

F. My opinion in paragraph 3 is subject to the qualification that certain provisions contained in the Agreement and the Guarantee may not be enforceable, but such unenforceability will not render the Agreement or the Guarantee invalid as a whole or substantially interfere with the practical realization of the principal benefits provided thereby

The foregoing opinions are given on the express understanding that the undersigned is an officer of Lehman Brothers Inc. and shall in no event incur any personal liability in connection with said opinions.

Very truly yours,

EXHIBIT C to Schedule

[Form of Opinion of Counsel to Party B]

Lehman Brothers Special Financing Inc.  
New York, New York

Lehman Brothers Holdings Inc.  
New York, New York

Dear Ladies and Gentlemen:

This opinion is delivered to you pursuant to Part 2 of the Schedule to the ISDA Master Agreement (such Master Agreement, including the Schedule, Credit Support Annex and Confirmation thereto dated as of October 26, 2005, the "Agreement") dated as of October 26, 2005 between Lehman Brothers Special Financing Inc. ("Party A") and Adventist HealthCare, Inc., as representative of the Obligated Group, ("Party B"). Terms defined in the Agreement and used but not defined herein have the meanings given to them in the Agreement.

I am General Counsel to Party B and in connection with the Agreement entered into by Party A and Party B on the date thereof, have examined an executed original of the Agreement, certified copies of the proceedings of the Board of Directors of Party B and the other members of the Obligated Group authorizing the execution and delivery of the Agreement, and certain other documents.

I have also examined originals, executed counterparts or copies of such other agreements, corporate records, instruments and certificates, certificates of public authorities and such matters of law as I have deemed necessary for the purpose of rendering this opinion. To the extent I deemed necessary for purposes of this opinion, I have relied upon (i) the statements and representations of officers of Party B and the other members of the Obligated Group as to factual matters, (ii) the corporate records provided to me by such officers, and (iii) certificates and other documents obtained from public officials. I have further relied as to factual matters on the representations and warranties contained in the Agreement, and I have assumed the completeness and accuracy of all such representations and warranties as to factual matters.

I have assumed the genuineness of all signatures, the legal capacity of all individuals who have executed the Agreement and all other documents I have reviewed, the authenticity of all documents submitted to me as originals and the conformity to original documents of all documents submitted to me as certified, photostatic, reproduced or conformed copies. I have also assumed that the Agreement has been duly authorized, executed and delivered by each of the parties (other than Party B) and that the execution, delivery and performance of the Agreement by each of the parties thereto (other than Party B) does not and will not result in a breach of, or constitute a default under, any agreement, instrument or other document to which such party is a party or any order, judgment, writ or decree applicable to such party or to which such party's property is subject.

I am a member of the Bars of the District of Columbia and the States of Texas and of Missouri and I am qualified to opine on the laws of the State of Maryland and the State of New Jersey and the federal laws of the United States of America that may be applicable. For purposes of this opinion, I have assumed, with your permission, that the laws of the State of New York are the same as the laws of the State of Maryland (except that with respect to the second sentence in paragraph number 1 below, I have assumed, with your permission, that the laws of the State of New York are the same as the laws of the

State of New Jersey) . My opinion below as to enforceability of the Agreement is strictly based upon this assumption. I express no opinion as to the enforceability of the choice of law provisions of the Agreement.

Based upon and subject to my examination as aforesaid and subject to the qualifications set forth herein, I am of the opinion that:

Adventist HealthCare, Inc. and Adventist Rehabilitation Hospital of Maryland, Inc. are nonstock corporations, each duly organized, validly existing and in good standing under the laws of the State of Maryland. Hackettstown Community Hospital is a not-for-profit corporation, duly organized, validly existing and in good standing under the laws of the State of New Jersey.

Party B has all requisite corporate power and authority to enter into the Agreement and to perform its obligations thereunder.

The Agreement and the execution and performance of the same have been duly authorized by all necessary corporate action by Party B. The Agreement has been duly executed and delivered by Party B, and assuming, but rendering no opinion as to, the due authorization, execution and delivery thereof by the other parties thereto, constitutes the valid and binding obligation of Party B, enforceable against Party B in accordance with its terms.

The execution, delivery and performance of the Agreement by Party B do not:

violate any provision of Party B's Articles of Incorporation or Bylaws; or

violate any federal law, regulation or rule or any court or administrative writ, order, judgment or decree binding on or applicable to Party B or its property, or the Covered Indenture.

To the best of my knowledge, all consents, authorizations, registrations, declarations, filings and approvals required under federal or Maryland law, regulation or rule for the execution and delivery by Party B of the Agreement and the performance by Party B of its obligations under the Agreement have been obtained and remain in full force and effect, all conditions thereof have been duly complied with, and no other action by, and no notice to or filing with, any governmental authority or regulatory body is required for such execution, delivery, entry into or performance.

There is no action, suit, litigation, proceeding or investigation at law or in equity before or by any judicial or administrative court, public board or body pending for which service of process has been received, or, to my knowledge, overtly threatened against Party B which would contest or affect the validity or execution or performance by Party B of the Agreement.

Pursuant to the Related Supplement, the regularly scheduled payments required to be made by Party B pursuant to the Agreement and any amounts payable by Party B pursuant to the Agreement upon an Early Termination Date shall constitute Obligations (as defined in the Covered Indenture) (collectively, the "MTI Obligation"). Each of the Covered Indenture and the MTI Obligation is enforceable in accordance with applicable law, is an unconditional and irrevocable obligation of each Member of the Obligated Group and of the Obligated Group payable in accordance with the Covered Indenture and is a joint and several obligation of the Obligated Group, subject to the qualifications that the provisions of the Covered Indenture pursuant to which any member of the Obligated Group promises to pay any and all amounts payable under the MTI Obligation, if such amount is not promptly paid by the member of the Obligated

Group that issued the MTI Obligation, may not be enforceable if such payments: (A) are requested to be made from any property of the member of the Obligated Group from which payment is sought that is donor restricted or which is subject to a direct or express trust that does not permit the use of such property for such payment; (B) are requested to be made pursuant to any loan violating applicable usury laws; (C) are inconsistent with the charitable purpose of such member of the Obligated Group from which payment is sought or are with respect to Obligations (as defined in the Covered Indenture) issued on behalf of any member of the Obligated Group other than a *not-for-profit corporation* which is exempt from federal income taxes under Sections 501(a) and 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code") and is not a "private foundation" as defined in Section 509(a) of the Code; or (D) would result in the cessation or discontinuation of any material portion of the health care or related services previously provided by the member of the Obligated Group from which payment is sought. The MTI Obligation is issued for charitable purposes consistent with the charitable purposes of the Obligated Group.

The Covered Indenture has been duly authorized, executed and delivered by the Obligated Group. Issuance of the MTI Obligation has been duly authorized by the Obligated Group Members, and the MTI Obligation has been duly and validly issued in accordance with the Covered Indenture. All outstanding Obligations (as defined in the Covered Indenture) are secured equally and ratably with the MTI Obligation by any pledge, lien or other security interest in any property of any Obligated Group Member securing the MTI Obligation.

The opinions set forth herein are subject to the qualification that I express no opinion regarding the legality, validity, binding effect or enforceability of Section 6(e) of the Agreement to the extent that payment of an amount in excess of the lowest quotation may be deemed by a court to violate a non-defaulting party's obligation to mitigate damages. In addition, in connection with any such early termination on the grounds of default, a court might impose its own settlement procedures in lieu of the provisions of Section 6(e) of the Agreement.

My opinions as herein expressed are subject to the following qualifications and limitations: My opinions are subject to the effect of bankruptcy, insolvency, reorganization, receivership, moratorium and other similar laws. This exception includes:

- the Federal Bankruptcy Code and thus comprehends, among others, matters of turn-over, automatic stay, avoiding powers, fraudulent transfer, preference, discharge, conversion of a non-recourse obligation into a recourse claim, limitations on ipso facto and anti-assignment clauses and the coverage of pre-petition security agreements applicable to property acquired after a petition is filed;

- all other Federal and state bankruptcy, insolvency, reorganization, receivership, moratorium, arrangement and assignment for the benefit of creditors' laws that affect the rights of creditors generally or that have reference to or affect only creditors of specific types of debtors;

  - state fraudulent transfer and conveyance laws; and

  - judicially developed doctrines in this area, such as substantive consolidation of entities and equitable subordination.

My opinions are subject to the effect of general principles of equity, whether applied by a court of law or equity. This limitation includes principles: governing the availability of specific performance, injunctive relief or other equitable remedies, which generally place the award of such remedies, subject to certain guidelines, in the discretion of the court to which application for such relief is made;

affording equitable defense (e.g., waiver, laches and estoppel) against a party seeking enforcement;

requiring good faith and fair dealing in the performance and enforcement of a contract by the party seeking its enforcement;

requiring reasonableness in the performance and enforcement of an agreement by the party seeking enforcement of the contract;

requiring consideration of the materiality of (i) a breach, and (ii) the consequences of the breach to the party seeking enforcement;

requiring consideration of the impracticability or impossibility of performance at the time of attempted enforcement; and

affording defenses based upon the unconscionability of the enforcing party's conduct after the parties have entered into the contract.

My opinions are subject to the effect of the rules of law that:

limit or affect the enforcement of provisions of a contract that purport to waive, or to require waiver of, (i) the obligations of good faith, fair dealing, diligence and reasonableness, (ii) broadly or vaguely stated rights, (iii) statutory, regulatory or constitutional rights, except to the extent that the statute, regulation or constitution explicitly allows waivers; (iv) unknown future defenses; and (v) rights to damages.

provide that choice of law, forum selection, consent to jurisdiction, and jury waiver clauses in contracts are not necessarily binding;

limit the availability of a remedy under certain circumstances where another remedy has been elected;

provide a time limitation after which a remedy may not be enforced;

limit the enforceability of provisions releasing, exculpating or exempting a party from, or requiring indemnification of a party for, liability for its own action or inaction, to the extent the action or inaction involves gross negligence, recklessness, willful misconduct, unlawful conduct, or violation of public policy;

may, where less than all of a contract may be unenforceable, limit the enforceability of the balance of the contract to circumstances in which the unenforceable portion is not an essential part of the agreed exchange;

govern and afford judicial discretion regarding the determination of damages and entitlement to attorneys' fees and other costs;

may permit a party that has materially failed to render or offer performance required by the contract to cure that failure unless (i) permitting a cure would unreasonably hinder the aggrieved party from making substitute arrangements for performance, or (ii) it was important in the circumstances to the aggrieved party that performance occur by the date stated in the contract; and

limit the right of a creditor to use force or cause a breach of the peace in enforcing rights;

relate to the sale or disposition of collateral or the requirements of a commercially reasonable sale;

limit enforcement of time is of-the-essence clauses.

Except as expressly set forth in paragraph 8 above, I express no opinion as to the perfection or priority of any claims, liens, security interests or rights created by the Agreement or the Covered Indenture.

This opinion is for your use only, and may not be relied upon by any other person or entity without my prior written consent. This opinion is rendered only with respect to the laws and the regulations thereunder which are in effect as of the date hereof. I assume no responsibility for updating this opinion to take into account any event, action, interpretation or change of law occurring subsequent to the date hereof that may affect the validity of any of the opinions expressed herein.

Very truly yours,

EXHIBIT D to Schedule

Officer's Certificate

The undersigned the [Chief Executive Officer] [Chief Financial Officer] of \_\_\_\_\_  
(the "\_\_\_\_\_") hereby certifies in connection with the Master Agreement (the "Master Agreement")  
dated as of \_\_\_\_\_, \_\_\_\_\_, between Lehman Brothers Special Financing Inc. ("Lehman") and  
\_\_\_\_\_ that:

\_\_\_\_\_ has taken all action required to be taken to ensure that the Master Agreement and any  
Confirmation entered into or to be entered into, and the Transactions contemplated thereby, are  
authorized under and comply in all respects with [its charter and/or by-laws], including

[set forth any actions required to be taken.]

Capitalized terms used but not defined herein shall have the respective meanings ascribed  
to such terms in the Master Agreement.

IN WITNESS WHEREOF, this Certificate has been executed as of this \_\_\_\_\_ day of  
\_\_\_\_\_, \_\_\_\_\_.

Confirmation located in Exhibit G to Section 148 Certificate behind Tab 45

(Local Currency—Single Jurisdiction)

# ISDA<sup>®</sup>

International Swap Dealers Association, Inc.

## MASTER AGREEMENT

dated as of October 26 2005

**MORGAN STANLEY CAPITAL  
SERVICES INC.****and ADVENTIST HEALTHCARE, INC.,  
as Obligated Group Representative**

have entered and/or anticipate entering into one or more transactions (each a "Transaction") that are or will be governed by this Master Agreement, which includes the schedule (the "Schedule"), and the documents and other confirming evidence (each a "Confirmation") exchanged between the parties confirming those Transactions.

Accordingly, the parties agree as follows:

### 1. Interpretation

(a) *Definitions.* The terms defined in Section 12 and in the Schedule will have the meanings therein specified for the purpose of this Master Agreement.

(b) *Inconsistency.* In the event of any inconsistency between the provisions of the Schedule and the other provisions of this Master Agreement, the Schedule will prevail. In the event of any inconsistency between the provisions of any Confirmation and this Master Agreement (including the Schedule), such Confirmation will prevail for the purposes of the relevant Transaction.

(c) *Single Agreement.* All Transactions are entered into in reliance on the fact that this Master Agreement and all Confirmations form a single agreement between the parties (collectively referred to as this "Agreement"), and the parties would not otherwise enter into any Transactions.

### 2. Obligations

#### (a) *General Conditions.*

(i) Each party will make each payment or delivery specified in each Confirmation to be made by it, subject to the other provisions of this Agreement.

(ii) Payments under this Agreement will be made on the due date for value on that date in the place of the account specified in the relevant Confirmation or otherwise pursuant to this Agreement, in freely transferable funds and in the manner customary for payments in the required currency. Where settlement is by delivery (that is, other than by payment), such delivery will be made for receipt on the due date in the manner customary for the relevant obligation unless otherwise specified in the relevant Confirmation or elsewhere in this Agreement.

(iii) Each obligation of each party under Section 2(a)(i) is subject to (1) the condition precedent that no Event of Default or Potential Event of Default with respect to the other party has occurred and is continuing, (2) the condition precedent that no Early Termination Date in respect of the relevant Transaction has occurred or been effectively designated and (3) each other applicable condition precedent specified in this Agreement.

(b) *Change of Account.* Either party may change its account for receiving a payment or delivery by giving notice to the other party at least five Local Business Days prior to the scheduled date for the payment or delivery to which such change applies unless such other party gives timely notice of a reasonable objection to such change.

(c) *Netting.* If on any date amounts would otherwise be payable: —

- (i) in the same currency; and
- (ii) in respect of the same Transaction,

by each party to the other, then, on such date, each party's obligation to make payment of any such amount will be automatically satisfied and discharged and, if the aggregate amount that would otherwise have been payable by one party exceeds the aggregate amount that would otherwise have been payable by the other party, replaced by an obligation upon the party by whom the larger aggregate amount would have been payable to pay to the other party the excess of the larger aggregate amount over the smaller aggregate amount.

The parties may elect in respect of two or more Transactions that a net amount will be determined in respect of all amounts payable on the same date in the same currency in respect of such Transactions, regardless of whether such amounts are payable in respect of the same Transaction. The election may be made in the Schedule or a Confirmation by specifying that subparagraph (ii) above will not apply to the Transactions identified as being subject to the election, together with the starting date (in which case subparagraph (ii) above will not, or will cease to, apply to such Transactions from such date). This election may be made separately for different groups of Transactions and will apply separately to each pairing of branches or offices through which the parties make and receive payments or deliveries.

(d) *Default Interest; Other Amounts.* Prior to the occurrence or effective designation of an Early Termination Date in respect of the relevant Transaction, a party that defaults in the performance of any payment obligation will, to the extent permitted by law and subject to Section 6(c), be required to pay interest (before as well as after judgment) on the overdue amount to the other party on demand in the same currency as such overdue amount, for the period from (and including) the original due date for payment to (but excluding) the date of actual payment, at the Default Rate. Such interest will be calculated on the basis of daily compounding and the actual number of days elapsed. If, prior to the occurrence or effective designation of an Early Termination Date in respect of the relevant Transaction, a party defaults in the performance of any obligation required to be settled by delivery, it will compensate the other party on demand if and to the extent provided for in the relevant Confirmation or elsewhere in this Agreement.

### 3. Representations

Each party represents to the other party (which representations will be deemed to be repeated by each party on each date on which a Transaction is entered into) that:—

(a) *Basic Representations.*

(i) *Status.* It is duly organised and validly existing under the laws of the jurisdiction of its organisation or incorporation and, if relevant under such laws, in good standing;

(ii) *Powers.* It has the power to execute this Agreement and any other documentation relating to this Agreement to which it is a party, to deliver this Agreement and any other documentation relating to this Agreement that it is required by this Agreement to deliver and to perform its obligations under this Agreement and any obligations it has under any Credit Support Document to which it is a party and has taken all necessary action to authorise such execution, delivery and performance;

(iii) *No Violation or Conflict.* Such execution, delivery and performance do not violate or conflict with any law applicable to it, any provision of its constitutional documents, any order or judgment of any court or other agency of government applicable to it or any of its assets or any contractual restriction binding on or affecting it or any of its assets;

(iv) *Consents*. All governmental and other consents that are required to have been obtained by it with respect to this Agreement or any Credit Support Document to which it is a party have been obtained and are in full force and effect and all conditions of any such consents have been complied with; and

(v) *Obligations Binding*. Its obligations under this Agreement and any Credit Support Document to which it is a party constitute its legal, valid and binding obligations, enforceable in accordance with their respective terms (subject to applicable bankruptcy, reorganisation, insolvency, moratorium or similar laws affecting creditors' rights generally and subject, as to enforceability, to equitable principles of general application (regardless of whether enforcement is sought in a proceeding in equity or at law)).

(b) *Absence of Certain Events*. No Event of Default or Potential Event of Default or, to its knowledge, Termination Event with respect to it has occurred and is continuing and no such event or circumstance would occur as a result of its entering into or performing its obligations under this Agreement or any Credit Support Document to which it is a party.

(c) *Absence of Litigation*. There is not pending or, to its knowledge, threatened against it or any of its Affiliates any action, suit or proceeding at law or in equity or before any court, tribunal, governmental body, agency or official or any arbitrator that is likely to affect the legality, validity or enforceability against it of this Agreement or any Credit Support Document to which it is a party or its ability to perform its obligations under this Agreement or such Credit Support Document.

(d) *Accuracy of Specified Information*. All applicable information that is furnished in writing by or on behalf of it to the other party and is identified for the purpose of this Section 3(d) in the Schedule is, as of the date of the information, true, accurate and complete in every material respect.

#### 4. Agreements

Each party agrees with the other that, so long as either party has or may have any obligation under this Agreement or under any Credit Support Document to which it is a party:—

(a) *Furnish Specified Information*. It will deliver to the other party any forms, documents or certificates specified in the Schedule or any Confirmation by the date specified in the Schedule or such Confirmation or, if none is specified, as soon as reasonably practicable.

(b) *Maintain Authorisations*. It will use all reasonable efforts to maintain in full force and effect all consents of any governmental or other authority that are required to be obtained by it with respect to this Agreement or any Credit Support Document to which it is a party and will use all reasonable efforts to obtain any that may become necessary in the future.

(c) *Comply with Laws*. It will comply in all material respects with all applicable laws and orders to which it may be subject if failure so to comply would materially impair its ability to perform its obligations under this Agreement or any Credit Support Document to which it is a party.

#### 5. Events of Default and Termination Events

(a) *Events of Default*. The occurrence at any time with respect to a party or, if applicable, any Credit Support Provider of such party or any Specified Entity of such party of any of the following events constitutes an event of default (an "Event of Default") with respect to such party:—

(i) *Failure to Pay or Deliver*. Failure by the party to make, when due, any payment under this Agreement or delivery under Section 2(a)(i) or 2(d) required to be made by it if such failure is not remedied on or before the third Local Business Day after notice of such failure is given to the party;

(ii) *Breach of Agreement*. Failure by the party to comply with or perform any agreement or obligation (other than an obligation to make any payment under this Agreement or delivery under Section 2(a)(i) or 2(d) or to give notice of a Termination Event) to be complied with or performed

by the party in accordance with this Agreement if such failure is not remedied on or before the thirtieth day after notice of such failure is given to the party;

(iii) **Credit Support Default.**

(1) Failure by the party or any Credit Support Provider of such party to comply with or perform any agreement or obligation to be complied with or performed by it in accordance with any Credit Support Document if such failure is continuing after any applicable grace period has elapsed;

(2) the expiration or termination of such Credit Support Document or the failing or ceasing of such Credit Support Document to be in full force and effect for the purpose of this Agreement (in either case other than in accordance with its terms) prior to the satisfaction of all obligations of such party under each Transaction to which such Credit Support Document relates without the written consent of the other party; or

(3) the party or such Credit Support Provider disaffirms, disclaims, repudiates or rejects, in whole or in part, or challenges the validity of, such Credit Support Document;

(iv) **Misrepresentation.** A representation made or repeated or deemed to have been made or repeated by the party or any Credit Support Provider of such party in this Agreement or any Credit Support Document proves to have been incorrect or misleading in any material respect when made or repeated or deemed to have been made or repeated;

(v) **Default under Specified Transaction.** The party, any Credit Support Provider of such party or any applicable Specified Entity of such party (1) defaults under a Specified Transaction and, after giving effect to any applicable notice requirement or grace period, there occurs a liquidation of, an acceleration of obligations under, or an early termination of, that Specified Transaction, (2) defaults, after giving effect to any applicable notice requirement or grace period, in making any payment or delivery due on the last payment, delivery or exchange date of, or any payment on early termination of, a Specified Transaction (or such default continues for at least three Local Business Days if there is no applicable notice requirement or grace period) or (3) disaffirms, disclaims, repudiates or rejects, in whole or in part, a Specified Transaction (or such action is taken by any person or entity appointed or empowered to operate it or act on its behalf);

(vi) **Cross Default.** If "Cross Default" is specified in the Schedule as applying to the party, the occurrence or existence of (1) a default, event of default or other similar condition or event (however described) in respect of such party, any Credit Support Provider of such party or any applicable Specified Entity of such party under one or more agreements or instruments relating to Specified Indebtedness of any of them (individually or collectively) in an aggregate amount of not less than the applicable Threshold Amount (as specified in the Schedule) which has resulted in such Specified Indebtedness becoming, or becoming capable at such time of being declared, due and payable under such agreements or instruments, before it would otherwise have been due and payable or (2) a default by such party, such Credit Support Provider or such Specified Entity (individually or collectively) in making one or more payments on the due date thereof in an aggregate amount of not less than the applicable Threshold Amount under such agreements or instruments (after giving effect to any applicable notice requirement or grace period);

(vii) **Bankruptcy.** The party, any Credit Support Provider of such party or any applicable Specified Entity of such party:—

(1) is dissolved (other than pursuant to a consolidation, amalgamation or merger); (2) becomes insolvent or is unable to pay its debts or fails or admits in writing its inability generally to pay its debts as they become due; (3) makes a general assignment, arrangement or composition with or for the benefit of its creditors; (4) institutes or has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its

winding-up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition (A) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (B) is not dismissed, discharged, stayed or restrained in each case within 30 days of the institution or presentation thereof; (5) has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger); (6) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets; (7) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 30 days thereafter; (8) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in clauses (1) to (7) (inclusive); or (9) takes any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the foregoing acts; or

(viii) *Merger Without Assumption*. The party or any Credit Support Provider of such party consolidates or amalgamates with, or merges with or into, or transfers all or substantially all its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer: —

(1) the resulting, surviving or transferee entity fails to assume all the obligations of such party or such Credit Support Provider under this Agreement or any Credit Support Document to which it or its predecessor was a party by operation of law or pursuant to an agreement reasonably satisfactory to the other party to this Agreement; or

(2) the benefits of any Credit Support Document fail to extend (without the consent of the other party) to the performance by such resulting, surviving or transferee entity of its obligations under this Agreement.

(b) *Termination Events*. The occurrence at any time with respect to a party or, if applicable, any Credit Support Provider of such party or any Specified Entity of such party of any event specified below constitutes an Illegality if the event is specified in (i) below, and, if specified to be applicable, a Credit Event Upon Merger if the event is specified pursuant to (ii) below or an Additional Termination Event if the event is specified pursuant to (iii) below:—

(i) *Illegality*. Due to the adoption of, or any change in, any applicable law after the date on which a Transaction is entered into, or due to the promulgation of, or any change in, the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law after such date, it becomes unlawful (other than as a result of a breach by the party of Section 4(b)) for such party (which will be the Affected Party):—

(1) to perform any absolute or contingent obligation to make a payment or delivery or to receive a payment or delivery in respect of such Transaction or to comply with any other material provision of this Agreement relating to such Transaction; or

(2) to perform, or for any Credit Support Provider of such party to perform, any contingent or other obligation which the party (or such Credit Support Provider) has under any Credit Support Document relating to such Transaction;

(ii) *Credit Event Upon Merger*. If “Credit Event Upon Merger” is specified in the Schedule as applying to the party, such party (“X”), any Credit Support Provider of X or any applicable Specified Entity of X consolidates or amalgamates with, or merges with or into, or transfers all or substantially all its assets to, another entity and such action does not constitute an event described in Section 5(a)(viii) but the creditworthiness of the resulting, surviving or transferee entity is materially weaker than that of X, such Credit Support Provider or such Specified Entity, as the case may be, immediately prior to such action (and, in such event, X or its successor or transferee, as appropriate, will be the Affected Party); or

(iii) *Additional Termination Event*. If any "Additional Termination Event" is specified in the Schedule or any Confirmation as applying, the occurrence of such event (and, in such event, the Affected Party or Affected Parties shall be as specified for such Additional Termination Event in the Schedule or such Confirmation).

(c) *Event of Default and Illegality*. If an event or circumstance which would otherwise constitute or give rise to an Event of Default also constitutes an Illegality, it will be treated as an Illegality and will not constitute an Event of Default.

## 6. Early Termination

(a) *Right to Terminate Following Event of Default*. If at any time an Event of Default with respect to a party (the "Defaulting Party") has occurred and is then continuing, the other party (the "Non-defaulting Party") may, by not more than 20 days notice to the Defaulting Party specifying the relevant Event of Default, designate a day not earlier than the day such notice is effective as an Early Termination Date in respect of all outstanding Transactions. If, however, "Automatic Early Termination" is specified in the Schedule as applying to a party, then an Early Termination Date in respect of all outstanding Transactions will occur immediately upon the occurrence with respect to such party of an Event of Default specified in Section 5(a)(vii)(1), (3), (5), (6) or, to the extent analogous thereto, (8), and as of the time immediately preceding the institution of the relevant proceeding or the presentation of the relevant petition upon the occurrence with respect to such party of an Event of Default specified in Section 5(a)(vii)(4) or, to the extent analogous thereto, (8).

(b) *Right to Terminate Following Termination Event*.

(i) *Notice*. If a Termination Event occurs, an Affected Party will, promptly upon becoming aware of it, notify the other party, specifying the nature of that Termination Event and each Affected Transaction and will also give such other information about that Termination Event as the other party may reasonably require.

(ii) *Two Affected Parties*. If an Illegality under Section 5(b)(i)(1) occurs and there are two Affected Parties, each party will use all reasonable efforts to reach agreement within 30 days after notice thereof is given under Section 6(b)(i) on action to avoid that Termination Event.

(iii) *Right to Terminate*. If: —

(1) an agreement under Section 6(b)(ii) has not been effected with respect to all Affected Transactions within 30 days after an Affected Party gives notice under Section 6(b)(i); or

(2) an Illegality other than that referred to in Section 6(b)(ii), a Credit Event Upon Merger or an Additional Termination Event occurs,

either party in the case of an Illegality, any Affected Party in the case of an Additional Termination Event if there is more than one Affected Party, or the party which is not the Affected Party in the case of a Credit Event Upon Merger or an Additional Termination Event if there is only one Affected Party may, by not more than 20 days notice to the other party and provided that the relevant Termination Event is then continuing, designate a day not earlier than the day such notice is effective as an Early Termination Date in respect of all Affected Transactions.

(c) *Effect of Designation*.

(i) If notice designating an Early Termination Date is given under Section 6(a) or (b), the Early Termination Date will occur on the date so designated, whether or not the relevant Event of Default or Termination Event is then continuing.

(ii) Upon the occurrence or effective designation of an Early Termination Date, no further payments or deliveries under Section 2(a)(i) or 2(d) in respect of the Terminated Transactions will be required to be made, but without prejudice to the other provisions of this Agreement. The amount, if any, payable in respect of an Early Termination Date shall be determined pursuant to Section 6(e).

(d) *Calculations.*

(i) *Statement.* On or as soon as reasonably practicable following the occurrence of an Early Termination Date, each party will make the calculations on its part, if any, contemplated by Section 6(e) and will provide to the other party a statement (1) showing, in reasonable detail, such calculations (including all relevant quotations and specifying any amount payable under Section 6(e)) and (2) giving details of the relevant account to which any amount payable to it is to be paid. In the absence of written confirmation from the source of a quotation obtained in determining a Market Quotation, the records of the party obtaining such quotation will be conclusive evidence of the existence and accuracy of such quotation.

(ii) *Payment Date.* An amount calculated as being due in respect of any Early Termination Date under Section 6(e) will be payable on the day that notice of the amount payable is effective (in the case of an Early Termination Date which is designated or occurs as a result of an Event of Default) and on the day which is two Local Business Days after the day on which notice of the amount payable is effective (in the case of an Early Termination Date which is designated as a result of a Termination Event). Such amount will be paid together with (to the extent permitted under applicable law) interest thereon (before as well as after judgment), from (and including) the relevant Early Termination Date to (but excluding) the date such amount is paid, at the Applicable Rate. Such interest will be calculated on the basis of daily compounding and the actual number of days elapsed.

(e) *Payments on Early Termination.* If an Early Termination Date occurs, the following provisions shall apply based on the parties' election in the Schedule of a payment measure, either "Market Quotation" or "Loss", and a payment method, either the "First Method" or the "Second Method". If the parties fail to designate a payment measure or payment method in the Schedule, it will be deemed that "Market Quotation" or the "Second Method", as the case may be, shall apply. The amount, if any, payable in respect of an Early Termination Date and determined pursuant to this Section will be subject to any Set-off.

(i) *Events of Default.* If the Early Termination Date results from an Event of Default:—

(1) *First Method and Market Quotation.* If the First Method and Market Quotation apply, the Defaulting Party will pay to the Non-defaulting Party the excess, if a positive number, of (A) the sum of the Settlement Amount (determined by the Non-defaulting Party) in respect of the Terminated Transactions and the Unpaid Amounts owing to the Non-defaulting Party over (B) the Unpaid Amounts owing to the Defaulting Party.

(2) *First Method and Loss.* If the First Method and Loss apply, the Defaulting Party will pay to the Non-defaulting Party, if a positive number, the Non-defaulting Party's Loss in respect of this Agreement.

(3) *Second Method and Market Quotation.* If the Second Method and Market Quotation apply, an amount will be payable equal to (A) the sum of the Settlement Amount (determined by the Non-defaulting Party) in respect of the Terminated Transactions and the Unpaid Amounts owing to the Non-defaulting Party less (B) the Unpaid Amounts owing to the Defaulting Party. If that amount is a positive number, the Defaulting Party will pay it to the Non-defaulting Party; if it is a negative number, the Non-defaulting Party will pay the absolute value of that amount to the Defaulting Party.

(4) *Second Method and Loss.* If the Second Method and Loss apply, an amount will be payable equal to the Non-defaulting Party's Loss in respect of this Agreement. If that amount is a positive number, the Defaulting Party will pay it to the Non-defaulting Party; if it is a negative

number, the Non-defaulting Party will pay the absolute value of that amount to the Defaulting Party.

(ii) *Termination Events.* If the Early Termination Date results from a Termination Event:—

(1) *One Affected Party.* If there is one Affected Party, the amount payable will be determined in accordance with Section 6(e)(i)(3), if Market Quotation applies, or Section 6(e)(i)(4), if Loss applies, except that, in either case, references to the Defaulting Party and to the Non-defaulting Party will be deemed to be references to the Affected Party and the party which is not the Affected Party, respectively, and, if Loss applies and fewer than all the Transactions are being terminated, Loss shall be calculated in respect of all Terminated Transactions.

(2) *Two Affected Parties.* If there are two Affected Parties:—

(A) if Market Quotation applies, each party will determine a Settlement Amount in respect of the Terminated Transactions, and an amount will be payable equal to (I) the sum of (a) one-half of the difference between the Settlement Amount of the party with the higher Settlement Amount ("X") and the Settlement Amount of the party with the lower Settlement Amount ("Y") and (b) the Unpaid Amounts owing to X less (II) the Unpaid Amounts owing to Y; and

(B) if Loss applies, each party will determine its Loss in respect of this Agreement (or, if fewer than all the Transactions are being terminated, in respect of all Terminated Transactions) and an amount will be payable equal to one-half of the difference between the Loss of the party with the higher Loss ("X") and the Loss of the party with the lower Loss ("Y").

If the amount payable is a positive number, Y will pay it to X; if it is a negative number, X will pay the absolute value of that amount to Y.

(iii) *Adjustment for Bankruptcy.* In circumstances where an Early Termination Date occurs because "Automatic Early Termination" applies in respect of a party, the amount determined under this Section 6(e) will be subject to such adjustments as are appropriate and permitted by law to reflect any payments or deliveries made by one party to the other under this Agreement (and retained by such other party) during the period from the relevant Early Termination Date to the date for payment determined under Section 6(d)(ii).

(iv) *Pre-Estimate.* The parties agree that if Market Quotation applies an amount recoverable under this Section 6(e) is a reasonable pre-estimate of loss and not a penalty. Such amount is payable for the loss of bargain and the loss of protection against future risks and except as otherwise provided in this Agreement neither party will be entitled to recover any additional damages as a consequence of such losses.

## 7. Transfer

Neither this Agreement nor any interest or obligation in or under this Agreement may be transferred (whether by way of security or otherwise) by either party without the prior written consent of the other party, except that:—

(a) a party may make such a transfer of this Agreement pursuant to a consolidation amalgamation with, or merger with or into, or transfer of all or substantially all its assets to, another entity (but without prejudice to any other right or remedy under this Agreement); and

(b) a party may make such a transfer of all or any part of its interest in any amount payable to it from a Defaulting Party under Section 6(e).

Any purported transfer that is not in compliance with this Section will be void

## 8. Miscellaneous

- (a) *Entire Agreement.* This Agreement constitutes the entire agreement and understanding of the parties with respect to its subject matter and supersedes all oral communication and prior writings with respect thereto.
- (b) *Amendments.* No amendment, modification or waiver in respect of this Agreement will be effective unless in writing (including a writing evidenced by a facsimile transmission) and executed by each of the parties or confirmed by an exchange of telexes or electronic messages on an electronic messaging system.
- (c) *Survival of Obligations.* Without prejudice to Sections 2(a)(iii) and 6(c)(ii), the obligations of the parties under this Agreement will survive the termination of any Transaction.
- (d) *Remedies Cumulative.* Except as provided in this Agreement, the rights, powers, remedies and privileges provided in this Agreement are cumulative and not exclusive of any rights, powers, remedies and privileges provided by law.
- (e) *Counterparts and Confirmations.*
- (i) This Agreement (and each amendment, modification and waiver in respect of it) may be executed and delivered in counterparts (including by facsimile transmission), each of which will be deemed an original.
  - (ii) The parties intend that they are legally bound by the terms of each Transaction from the moment they agree to those terms (whether orally or otherwise). A Confirmation shall be entered into as soon as practicable and may be executed and delivered in counterparts (including by facsimile transmission) or be created by an exchange of telexes or by an exchange of electronic messages on an electronic messaging system, which in each case will be sufficient for all purposes to evidence a binding supplement to this Agreement. The parties will specify therein or through another effective means that any such counterpart, telex or electronic message constitutes a Confirmation.
- (f) *No Waiver of Rights.* A failure or delay in exercising any right, power or privilege in respect of this Agreement will not be presumed to operate as a waiver, and a single or partial exercise of any right, power or privilege will not be presumed to preclude any subsequent or further exercise, of that right, power or privilege or the exercise of any other right, power or privilege.
- (g) *Headings.* The headings used in this Agreement are for convenience of reference only and are not to affect the construction of or to be taken into consideration in interpreting this Agreement.

## 9. Expenses

A Defaulting Party will, on demand, indemnify and hold harmless the other party for and against all reasonable out-of-pocket expenses, including legal fees, incurred by such other party by reason of the enforcement and protection of its rights under this Agreement or any Credit Support Document to which the Defaulting Party is a party or by reason of the early termination of any Transaction, including, but not limited to, costs of collection.

## 10. Notices

- (a) *Effectiveness.* Any notice or other communication in respect of this Agreement may be given in any manner set forth below (except that a notice or other communication under Section 5 or 6 may not be given by facsimile transmission or electronic messaging system) to the address or number or in accordance with the electronic messaging system details provided (see the Schedule) and will be deemed effective as indicated:—
- (i) if in writing and delivered in person or by courier, on the date it is delivered;
  - (ii) if sent by telex, on the date the recipient's answerback is received;

(iii) if sent by facsimile transmission, on the date that transmission is received by a responsible employee of the recipient in legible form (it being agreed that the burden of proving receipt will be on the sender and will not be met by a transmission report generated by the sender's facsimile machine);

(iv) if sent by certified or registered mail (airmail, if overseas) or the equivalent (return receipt requested), on the date that mail is delivered or its delivery is attempted; or

(v) if sent by electronic messaging system, on the date that electronic message is received,

unless the date of that delivery (or attempted delivery) or that receipt, as applicable, is not a Local Business Day or that communication is delivered (or attempted) or received, as applicable, after the close of business on a Local Business Day, in which case that communication shall be deemed given and effective on the first following day that is a Local Business Day.

(b) *Change of Addresses.* Either party may by notice to the other change the address, telex or facsimile number or electronic messaging system details at which notices or other communications are to be given to it.

## 11. Governing Law and Jurisdiction

(a) *Governing Law.* This Agreement will be governed by and construed in accordance with the law specified in the Schedule.

(b) *Jurisdiction.* With respect to any suit, action or proceedings relating to this Agreement ("Proceedings"), each party irrevocably: —

(i) submits to the jurisdiction of the English courts, if this Agreement is expressed to be governed by English law, or to the non-exclusive jurisdiction of the courts of the State of New York and the United States District Court located in the Borough of Manhattan in New York City, if this Agreement is expressed to be governed by the laws of the State of New York; and

(ii) waives any objection which it may have at any time to the laying of venue of any Proceedings brought in any such court, waives any claim that such Proceedings have been brought in an inconvenient forum and further waives the right to object, with respect to such Proceedings, that such court does not have any jurisdiction over such party.

Nothing in this Agreement precludes either party from bringing Proceedings in any other jurisdiction (outside, if this Agreement is expressed to be governed by English law, the Contracting States, as defined in Section 1(3) of the Civil Jurisdiction and Judgments Act 1982 or any modification, extension or re-enactment thereof for the time being in force) nor will the bringing of Proceedings in any one or more jurisdictions preclude the bringing of Proceedings in any other jurisdiction.

(c) *Waiver of Immunities.* Each party irrevocably waives, to the fullest extent permitted by applicable law, with respect to itself and its revenues and assets (irrespective of their use or intended use), all immunity on the grounds of sovereignty or other similar grounds from (i) suit, (ii) jurisdiction of any court, (iii) relief by way of injunction, order for specific performance or for recovery of property, (iv) attachment of its assets (whether before or after judgment) and (v) execution or enforcement of any judgment to which it or its revenues or assets might otherwise be entitled in any Proceedings in the courts of any jurisdiction and irrevocably agrees, to the extent permitted by applicable law, that it will not claim any such immunity in any Proceedings.

## 12. Definitions

As used in this Agreement:—

"*Additional Termination Event*" has the meaning specified in Section 5(b).

"*Affected Party*" has the meaning specified in Section 5(b).

**"Affected Transactions"** means (a) with respect to any Termination Event consisting of an Illegality, all Transactions affected by the occurrence of such Termination Event and (b) with respect to any other Termination Event, all Transactions.

**"Affiliate"** means, subject to the Schedule, in relation to any person, any entity controlled, directly or indirectly, by the person, any entity that controls, directly or indirectly, the person or any entity directly or indirectly under common control with the person. For this purpose, "control" of any entity or person means ownership of a majority of the voting power of the entity or person.

**"Applicable Rate"** means:—

(a) in respect of obligations payable or deliverable (or which would have been but for Section 2(a)(iii)) by a Defaulting Party, the Default Rate;

(b) in respect of an obligation to pay an amount under Section 6(e) of either party from and after the date (determined in accordance with Section 6(d)(ii)) on which that amount is payable, the Default Rate;

(c) in respect of all other obligations payable or deliverable (or which would have been but for Section 2(a)(iii)) by a Non-defaulting Party, the Non-default Rate; and

(d) in all other cases, the Termination Rate.

**"consent"** includes a consent, approval, action, authorisation, exemption, notice, filing, registration or exchange control consent.

**"Credit Event Upon Merger"** has the meaning specified in Section 5(b).

**"Credit Support Document"** means any agreement or instrument that is specified as such in this Agreement.

**"Credit Support Provider"** has the meaning specified in the Schedule.

**"Default Rate"** means a rate per annum equal to the cost (without proof or evidence of any actual cost) to the relevant payee (as certified by it) if it were to fund or of funding the relevant amount plus 1% per annum.

**"Defaulting Party"** has the meaning specified in Section 6(a).

**"Early Termination Date"** means the date determined in accordance with Section 6(a) or 6(b)(iii).

**"Event of Default"** has the meaning specified in Section 5(a) and, if applicable, in the Schedule.

**"Illegality"** has the meaning specified in Section 5(b).

**"law"** includes any treaty, law, rule or regulation and **"lawful"** and **"unlawful"** will be construed accordingly.

**"Local Business Day"** means, subject to the Schedule, a day on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) (a) in relation to any obligation under Section 2(a)(i), in the place(s) specified in the relevant Confirmation or, if not so specified, as otherwise agreed by the parties in writing or determined pursuant to provisions contained, or incorporated by reference, in this Agreement, (b) in relation to any other payment, in the place where the relevant account is located, (c) in relation to any notice or other communication, including notice contemplated under Section 5(a)(i), in the city specified in the address for notice provided by the recipient and, in the case of a notice contemplated by Section 2(b), in the place where the relevant new account is to be located and (d) in relation to Section 5(a)(v)(2), in the relevant locations for performance with respect to such Specified Transaction.

**"Loss"** means, with respect to this Agreement or one or more Terminated Transactions, as the case may be, and a party, an amount that party reasonably determines in good faith to be its total losses and costs (or gain, in which case expressed as a negative number) in connection with this Agreement or that Terminated Transaction or group of Terminated Transactions, as the case may be, including any loss of bargain, cost of funding or, at the election of such party but without duplication, loss or cost incurred as a result of its terminating, liquidating, obtaining or reestablishing any hedge or related trading position (or any gain

resulting from any of them). Loss includes losses and costs (or gains) in respect of any payment or delivery required to have been made (assuming satisfaction of each applicable condition precedent) on or before the relevant Early Termination Date and not made, except, so as to avoid duplication, if Section 6(e)(i)(1) or (3) or 6(e)(ii)(2)(A) applies. Loss does not include a party's legal fees and out-of-pocket expenses referred to under Section 9. A party will determine its Loss as of the relevant Early Termination Date, or, if that is not reasonably practicable, as of the earliest date thereafter as is reasonably practicable. A party may (but need not) determine its Loss by reference to quotations of relevant rates or prices from one or more leading dealers in the relevant markets.

**"Market Quotation"** means, with respect to one or more Terminated Transactions and a party making the determination, an amount determined on the basis of quotations from Reference Market-makers. Each quotation will be for an amount, if any, that would be paid to such party (expressed as a negative number) or by such party (expressed as a positive number) in consideration of an agreement between such party (taking into account any existing Credit Support Document with respect to the obligations of such party) and the quoting Reference Market-maker to enter into a transaction (the "Replacement Transaction") that would have the effect of preserving for such party the economic equivalent of any payment or delivery (whether the underlying obligation was absolute or contingent and assuming the satisfaction of each applicable condition precedent) by the parties under Section 2(a)(i) in respect of such Terminated Transaction or group of Terminated Transactions that would, but for the occurrence of the relevant Early Termination Date, have been required after that date. For this purpose, Unpaid Amounts in respect of the Terminated Transaction or group of Terminated Transactions are to be excluded but, without limitation, any payment or delivery that would, but for the relevant Early Termination Date, have been required (assuming satisfaction of each applicable condition precedent) after that Early Termination Date is to be included. The Replacement Transaction would be subject to such documentation as such party and the Reference Market-maker may, in good faith, agree. The party making the determination (or its agent) will request each Reference Market-maker to provide its quotation to the extent reasonably practicable as of the same day and time (without regard to different time zones) on or as soon as reasonably practicable after the relevant Early Termination Date. The day and time as of which those quotations are to be obtained will be selected in good faith by the party obliged to make a determination under Section 6(e), and, if each party is so obliged, after consultation with the other. If more than three quotations are provided, the Market Quotation will be the arithmetic mean of the quotations, without regard to the quotations having the highest and lowest values. If exactly three such quotations are provided, the Market Quotation will be the quotation remaining after disregarding the highest and lowest quotations. For this purpose, if more than one quotation has the same highest value or lowest value, then one of such quotations shall be disregarded. If fewer than three quotations are provided, it will be deemed that the Market Quotation in respect of such Terminated Transaction or group of Terminated Transactions cannot be determined.

**"Non-default Rate"** means a rate per annum equal to the cost (without proof or evidence of any actual cost) to the Non-defaulting Party (as certified by it) if it were to fund the relevant amount.

**"Non-defaulting Party"** has the meaning specified in Section 6(a).

**"Potential Event of Default"** means any event which, with the giving of notice or the lapse of time or both, would constitute an Event of Default.

**"Reference Market-makers"** means four leading dealers in the relevant market selected by the party determining a Market Quotation in good faith (a) from among dealers of the highest credit standing which satisfy all the criteria that such party applies generally at the time in deciding whether to offer or to make an extension of credit and (b) to the extent practicable, from among such dealers having an office in the same city.

**"Scheduled Payment Date"** means a date on which a payment or delivery is to be made under Section 2(a)(i) with respect to a Transaction.

**"Set-off"** means set-off, offset, combination of accounts, right of retention or withholding or similar right or requirement to which the payer of an amount under Section 6 is entitled or subject (whether arising under

this Agreement, another contract, applicable law or otherwise) that is exercised by, or imposed on, such payer.

**"Settlement Amount"** means, with respect to a party and any Early Termination Date, the sum of:—

- (a) the Market Quotations (whether positive or negative) for each Terminated Transaction or group of Terminated Transactions for which a Market Quotation is determined; and
- (b) such party's Loss (whether positive or negative and without reference to any Unpaid Amounts) for each Terminated Transaction or group of Terminated Transactions for which a Market Quotation cannot be determined or would not (in the reasonable belief of the party making the determination) produce a commercially reasonable result.

**"Specified Entity"** has the meaning specified in the Schedule.

**"Specified Indebtedness"** means, subject to the Schedule, any obligation (whether present or future, contingent or otherwise, as principal or surety or otherwise) in respect of borrowed money.

**"Specified Transaction"** means, subject to the Schedule, (a) any transaction (including an agreement with respect thereto) now existing or hereafter entered into between one party to this Agreement (or any Credit Support Provider of such party or any applicable Specified Entity of such party) and the other party to this Agreement (or any Credit Support Provider of such other party or any applicable Specified Entity of such other party) which is a rate swap transaction, basis swap, forward rate transaction, commodity swap, commodity option, equity or equity index swap, equity or equity index option, bond option, interest rate option, foreign exchange transaction, cap transaction, floor transaction, collar transaction, currency swap transaction, cross-currency rate swap transaction, currency option or any other similar transaction (including any option with respect to any of these transactions), (b) any combination of these transactions and (c) any other transaction identified as a Specified Transaction in this Agreement or the relevant confirmation.

**"Terminated Transactions"** means with respect to any Early Termination Date (a) if resulting from a Termination Event, all Affected Transactions and (b) if resulting from an Event of Default, all Transactions (in either case) in effect immediately before the effectiveness of the notice designating that Early Termination Date (or, if "Automatic Early Termination" applies, immediately before that Early Termination Date).

**"Termination Event"** means an Illegality or, if specified to be applicable, a Credit Event Upon Merger or an Additional Termination Event.

**"Termination Rate"** means a rate per annum equal to the arithmetic mean of the cost (without proof or evidence of any actual cost) to each party (as certified by such party) if it were to fund or of funding such amounts.

**"Unpaid Amounts"** owing to any party means, with respect to an Early Termination Date, the aggregate of (a) in respect of all Terminated Transactions, the amounts that became payable (or that would have become payable but for Section 2(a)(iii)) to such party under Section 2(a)(i) on or prior to such Early Termination Date and which remain unpaid as at such Early Termination Date and (b) in respect of each Terminated Transaction, for each obligation under Section 2(a)(i) which was (or would have been but for Section 2(a)(iii)) required to be settled by delivery to such party on or prior to such Early Termination Date and which has not been so settled as at such Early Termination Date, an amount equal to the fair market value of that which was (or would have been) required to be delivered as of the originally scheduled date for delivery, in each case together with (to the extent permitted under applicable law) interest, in the currency of such amounts, from (and including) the date such amounts or obligations were or would have been required to have been paid or performed to (but excluding) such Early Termination Date, at the Applicable Rate. Such amounts of interest will be calculated on the basis of daily compounding and the actual number of days elapsed. The fair market value of any obligation referred to in clause (b) above shall be reasonably determined

by the party obliged to make the determination under Section 6(e) or, if each party is so obliged, it shall be the average of the fair market values reasonably determined by both parties.

IN WITNESS WHEREOF the parties have executed this document on the respective dates specified below with effect from the date specified on the first page of this document.

MORGAN STANLEY CAPITAL *MS*  
SERVICES INC.

ADVENTIST HEALTHCARE, INC.,  
as Obligated Group Representative

By: *Nina C. Simmons*  
Name: *Nina C. Simmons*  
Title: *Authorized Signatory*  
Date:

By: \_\_\_\_\_  
Name:  
Title:  
Date:

by the party obliged to make the determination under Section 6(e) or, if each party is so obliged, it shall be the average of the fair market values reasonably determined by both parties.

IN WITNESS WHEREOF the parties have executed this document on the respective dates specified below with effect from the date specified on the first page of this document.

**MORGAN STANLEY CAPITAL  
SERVICES INC.**

**ADVENTIST HEALTHCARE, INC.,  
as Obligated Group Representative**

By: \_\_\_\_\_

Name:

Title:

Date:

By: \_\_\_\_\_

Name: *James Lee*

Title: *SVP, CFO*

Date: *12/19/05*

**SCHEDULE  
TO THE  
MASTER AGREEMENT  
dated as of October 26, 2005  
between  
MORGAN STANLEY CAPITAL SERVICES INC.  
("Party A")  
and  
ADVENTIST HEALTHCARE, INC.,  
as Obligated Group Representative  
("Party B")**

**Part 1. Termination Provisions**

(a) "Specified Entity" means in relation to Party A for the purpose of:-

Section 5(a)(v), Affiliates  
Section 5(a)(vi), None Specified  
Section 5(a)(vii), None Specified  
Section 5(b)(ii), None Specified

and in relation to Party B for the purpose of:-

Section 5(a)(v), Affiliates  
Section 5(a)(vi), None Specified  
Section 5(a)(vii), None Specified  
Section 5(b)(ii), None Specified

(b) "Specified Transaction" means, in lieu of the meaning specified in Section 12, (a) any transaction (including an agreement with respect to any such transaction) now existing or hereafter entered into between one party to this Agreement (or any Credit Support Provider of such party or any applicable Specified Entity of such party) and the other party to this Agreement (or any Credit Support Provider of such other party or any applicable Specified Entity of such other party) which is not a Transaction under this Agreement but (i) which is a rate swap transaction, swap option, basis swap, forward rate transaction, commodity swap, commodity option, equity or equity index swap, equity or equity index option, bond option, interest rate option, foreign exchange transaction, cap transaction, floor transaction, collar transaction, currency swap transaction, cross-currency rate swap transaction, currency option, credit protection transaction, credit swap, credit default swap, credit default option, total return swap, credit spread transaction, repurchase transaction, reverse repurchase transaction, buy/sell-back transaction, securities lending transaction, weather index transaction or forward purchase or sale of a security, commodity or other financial instrument or interest (including any option with respect to any of these transactions) or (ii) which is a type of transaction that is similar to any transaction referred to in clause (i) above that is currently, or in the future becomes, recurrently entered into in the financial markets (including terms and conditions incorporated by reference in such agreement) and which is a forward, swap, future, option or other derivative on one or more rates, currencies, commodities, equity securities or other equity instruments, debt securities or other debt instruments, economic indices or measures of economic risk or value, or other benchmarks against which payments or deliveries are to be made, (b) any combination of these

transactions and (c) any other transaction identified as a Specified Transaction in this Agreement or the relevant confirmation.

- (c) “**Cross Default**” provisions of Section 5(a)(vi) apply to Party A and to Party B; provided, that the following language shall be added to the end of Section 5(a)(vi):

“Notwithstanding the foregoing, a default under subsection (2) hereof shall not constitute an Event of Default if (i) the default was caused solely by error or omission of an administrative or operational nature; (ii) the defaulting party has provided the other party with satisfactory evidence that funds were available to enable the party to make the payment when due; and (iii) the payment is made within two Local Business Days of such party’s receipt of written notice of its failure to pay.”

- (d) “**Specified Indebtedness**” has the meaning specified in Section 12.
- (e) “**Threshold Amount**” means (i) with respect to Party A, two percent (2%) of Stockholders’ Equity of Morgan Stanley and (ii) with respect to Party B, USD 2,000,000.
- (f) “**Credit Event Upon Merger**” applies to Party A and Party B.
- (g) The “**Automatic Early Termination**” provisions of Section 6(a) will not apply to Party A and will not apply to Party B.
- (h) **Payments on Early Termination.** “**Market Quotation**” and “**Second Method**” will apply for the purpose of Section 6(e) of this Agreement.
- (i) **Additional Termination Event** will apply.

Each of the following shall constitute an Additional Termination Event:

- (a) with respect to Party A, if Party A’s Credit Support Provider’s senior, unsecured, unenhanced debt rating is withdrawn, suspended or reduced below “BBB-” in the case of S&P or below “Baa3” in the case of Moody’s; and
- (b) with respect to Party B, if the rating of any senior, unenhanced debt issued by or on behalf of any Obligated Group Member payable from amounts paid pursuant to Obligations is withdrawn, suspended or reduced below “BBB-” in the case of S&P or below “Baa3” in the case of Moody’s.

For the purpose of the Termination Event set forth in (a) above, the Affected Party shall be Party A and for the purpose of the Termination Event set forth in (b) above, the Affected Party shall be Party B. For the purpose of each Termination Event set forth above, all Transactions shall be Affected Transactions.

**Part 2. Agreement to Deliver Documents**

For the purpose of Section 4(a), each party agrees to deliver the following documents, as applicable:-

<u>Party required to deliver document</u>	<u>Form/Document/Certificate</u>	<u>Date by which to be delivered</u>	<u>Covered by Sec. 3(d) Representation</u>
Party A and Party B	Either (1) a signature booklet containing secretary's certificate and resolutions ("authorizing resolutions") authorizing the party to enter into derivatives transactions of the type contemplated by the parties or (2) a secretary's certificate, authorizing resolutions and incumbency certificate, in either case, for such party and any Credit Support Provider of such party reasonably satisfactory in form and substance to the other party.	The earlier of the fifth Business Day after the Trade Date of the first Transaction or upon execution of this Agreement and as deemed necessary for any further documentation.	Yes
Party A	A written opinion of legal counsel to Party A and its Credit Support Provider in the forms attached hereto as Exhibits B-1, B-2 and B-3	Upon execution of this Agreement and, if requested by Party B, upon the execution of each Confirmation	No
Party B	A written opinion of legal counsel to Party B (and any Credit Support Provider) reasonably satisfactory in form and substance to Party A	Upon execution of this Agreement and, if requested by Party A, upon the execution of each Confirmation	No
Party A and Party B	A duly executed copy of the Credit Support Documents specified in Part 3 of this Schedule	Upon the execution of this Agreement	No
Party A and Party B	A copy of the annual report of such party (in the case of Party A, in respect of Morgan Stanley) containing audited consolidated financial statements for each such fiscal year, certified by independent certified public accountants and prepared in accordance with generally accepted accounting principles in the country in which such party is organized. In the case of Party B, such annual report shall be delivered to Party A by fax at 212-507-0648 or	As soon as practicable after the execution of this Agreement and also within 120 days (or as soon as practicable after becoming publicly available) after the end of each of its fiscal years while there are any obligations outstanding under this Agreement.	Yes

<u>Party required to deliver document</u>	<u>Form/Document/Certificate</u>	<u>Date by which to be delivered</u>	<u>Covered by Sec. 3(d) Representation</u>
	by email at compliancecerts@morganstanley.com		
Party B	Covered Agreement and all other documents relating to the Incorporated Provisions (as such term is defined in Part 4(e) of this Schedule)	Upon execution of this Agreement.	Yes
Party B	Copies of UCC statements evidencing perfection of the security interest in the Trust Estate granted in the Covered Agreement to the Trustee in favor of the Holders of the Obligations.	Upon execution of this Agreement.	Yes
Party A	Report providing an estimate of the then-current market value of the Transactions as of the relevant date set forth in the column to the right.	Monthly, within five Local Business Days of the end of each month or of a request from Party B; provided that the failure of Party A to deliver such document shall not result in any Event of Default or Potential Event of Default.	No
Party B	MTI Obligation executed by Party B and authenticated by the Trustee as an Obligation in accordance with the Covered Agreement.	Upon execution of this Agreement and the Confirmation for each Transaction hereunder.	Yes
Party B	Certified copy of the Related Supplement as required by Section 2.03 of the Covered Agreement.	Upon execution and authentication of the MTI Obligation.	Yes
Party B	A written opinion of legal counsel to Party B addressed to Party A with respect to (i) the Covered Agreement (as supplemented by, without limitation, the Related Supplement) and (ii) the MTI Obligation, in form and substance acceptable to Party A.	Upon execution and authentication of the MTI Obligation.	No
Party B	A certified copy of (i) the Officer's Certificate required by clause (a) of	Upon execution and authentication of the	Yes

<u>Party required to deliver document</u>	<u>Form/Document/Certificate</u>	<u>Date by which to be delivered</u>	<u>Covered by Sec. 3(d) Representation</u>
	the definition of "Revenue Test" in the Covered Agreement and (ii) (A) the Officer's Certificate required by clause (b)(i) of the definition of "Revenue Test" in the Covered Agreement or (B) the Opinion of Management Consultant or the Officer's Certificate required by clause (b)(ii) of the definition of "Revenue Test" in the Covered Agreement, all as required by Section 2.03(b) of the Covered Agreement.	MTI Obligation.	
Party B	A certified copy of the resolution of the governing body of each Obligated Group Member authorizing (i) the execution and delivery of this Agreement and the MTI Obligation and (ii) the execution and delivery by the Obligated Group Representative of the Related Supplement, certified by an authorized officer of the Obligated Group Representative, all as required by Section 2.03(c) of the Covered Agreement.	Upon execution and authentication of the MTI Obligation.	Yes
Party B	A certified copy of the officer's certificate required by Section 2.03(e) of the Covered Agreement.	Upon execution and authentication of the MTI Obligation.	Yes
Party B	A certified copy of the Order of the Obligated Group Representative required by Section 2.03(f) of the Covered Agreement.	Upon execution and authentication of the MTI Obligation.	Yes
Party B	Certified copies of any additional documents delivered to the Trustee pursuant to the Covered Agreement in connection with the execution and authentication of the MTI Obligation.	Upon execution and authentication of the MTI Obligation.	Yes
Party B	Certificate of the Trustee acknowledging receipt of each certificate, opinion and document required to be delivered to the Trustee pursuant to the Covered Agreement in	Upon execution and authentication of the MTI Obligation.	Yes

<u>Party required to deliver document</u>	<u>Form/Document/Certificate</u>	<u>Date by which to be delivered</u>	<u>Covered by Sec. 3(d) Representation</u>
	connection with the execution and authentication of the MTI Obligation.		
Party B	The official statement or similar disclosure document or other information provided in connection with the issuance of the Series 2005 Bonds.	Upon the issuance of the Series 2005 Bonds.	Yes
Party B	A certified copy of the certificate of incorporation or articles of incorporation or similar formation document of Party B.	Upon execution of this Agreement	Yes
Party B	A list of the members or directors of the governing board of Party B.	Upon execution of this Agreement	Yes
Party B	Taxpayer Identification Number of Party B as required by Part I of United States Internal Revenue Service Form W-9.	Upon execution of this Agreement	Yes
Party A and Party B	Such other documents as the other party may reasonably request	Upon request	No

**Part 3. Miscellaneous**

(a) **Addresses for Notices.** For the purpose of Section 10(a):-

(i) Address for notices or communications to Party A:-

MORGAN STANLEY CAPITAL SERVICES INC.  
Transaction Management Group  
1585 Broadway  
New York, New York 10036-8293  
Attention: CHIEF LEGAL OFFICER  
Fax No: 212-507-4622

(ii) Address for notices or communications to Party B:-

ADVENTIST HEALTHCARE, INC.  
1801 Research Boulevard  
Suite 300  
Rockville, Maryland 20850  
Attention: CHIEF FINANCIAL OFFICER  
Fax No: 301-315-3011  
Telephone No: 301-315-3025

- (b) **Notices.** Section 10(a) is amended by adding in the third line thereof after the phrase "messaging system" and before the ")" the words, "; provided, however, any such notice or other communication may be given by facsimile transmission if telex is unavailable, no telex number is supplied to the party providing notice, or if answer back confirmation is not received from the party to whom the telex is sent."
- (c) **Calculation Agent** means Party A, unless Party A is a Defaulting Party, in which case the Calculation Agent will be a third party reasonably acceptable to Party A and to Party B.
- (d) **Credit Support Document** means (i) the Credit Support Annex dated as of the date hereof (the provisions of which are incorporated by reference herein), (ii) with respect to Party A, the guarantee of Morgan Stanley in the form attached hereto as Exhibit A and (iii) with respect to Party B, the Covered Agreement.
- (e) **Credit Support Provider** means in relation to Party A: Morgan Stanley.  
**Credit Support Provider** means in relation to Party B: Each Obligated Group Member.
- (f) **Governing Law; Jurisdiction.** This Agreement and each Confirmation will be governed by and construed in accordance with the laws of the State of New York. Section 11(b) is amended by: (1) deleting "non-" from the second line of clause (i); and (2) deleting the final paragraph.
- (g) **WAIVER OF JURY TRIAL. EACH PARTY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY PROCEEDINGS RELATING TO THIS AGREEMENT OR ANY CREDIT SUPPORT DOCUMENT.**
- (h) **Netting of Payments.** Clause (ii) of Section 2(c) will not apply to any amounts payable with respect to Transactions from the date of this Agreement.
- (i) **"Affiliate"** will have the meaning specified in Section 12, but excludes Morgan Stanley Derivative Products Inc.
- (j) **Form of Agreement.** The parties hereby agree that the text of the body of the Agreement is intended to be the printed form of 1992 ISDA Master Agreement (Local Currency Single Jurisdiction) as published and copyrighted by the International Swaps and Derivatives Association, Inc.

#### Part 4. Other Provisions

- (a) **Representations.** For purposes of Section 3, the following shall be added, immediately following paragraph (d) thereof:

- (e) **Eligible Contract Participant.** It is an "eligible contract participant" as defined in Section 1a(12) of the Commodity Exchange Act (7 U.S.C. 1a), as amended by the Commodity Futures Modernization Act of 2000.
- (f) **Individual Negotiation.** This Agreement has been subject to individual negotiation by such party.
- (g) **Line of Business.** It has entered into this Agreement (including each Transaction evidenced hereby) in conjunction with its line of business (including financial intermediation services) or the financing of its business.
- (h) **No Agency.** It is entering into this Agreement, any Credit Support Document to which it is a party, each Transaction and any other documentation relating to this Agreement or any Transaction as principal (and not as agent (other than, with respect to Party B, as agent for the Obligated Group) or in any other capacity, fiduciary or otherwise).
- (i) **Full Two-Way Payments.** It acknowledges that, pursuant to the terms of this Agreement (including, without limitation, Section 6(e) hereof), it may owe a payment to the other party upon the designation of an Early Termination Date hereunder, even in the event such Early Termination Date is the result of an Event of Default with respect to such other party.
- (j) **ERISA Representation.** It continuously represents that it is not (i) an employee benefit plan (hereinafter an "ERISA Plan"), as defined in Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), subject to Title I of ERISA or Section 4975 of the Internal Revenue Code of 1986, as amended, (ii) a person acting on behalf of an ERISA Plan or (iii) a person the assets of whom constitute assets of an ERISA Plan. It will provide notice to the other party in the event that it is aware that it is in breach of any aspect of this representation or is aware that with the passing of time, giving of notice or expiry of any applicable grace period it will breach this representation."
- (b) **Additional Representations of Party B.** Party B hereby further represents to Party A (which representations will be deemed to be repeated by Party B at all times until the termination of this Agreement) that:
  - (i) This Agreement has been, and each Transaction hereunder will be (and, if applicable, has been), entered into for the purposes of managing its borrowings or investments and not for purposes of speculation.
  - (ii) Any Transaction entered into pursuant to this Agreement together with any transactions that Party B has or may enter into with Party A and/or with any or all other parties does not and will not violate or exceed any limits or restrictions contained in any authorizations, approvals or resolutions of the board of directors, shareholders or other authorized body of Party B.
  - (iii) The execution and delivery by Party B of this Agreement, each Confirmation and any other documentation relating hereto, and the performance of Party B of its obligations hereunder and thereunder, are in furtherance, and not in violation, of the not-for-profit purposes for which Party B is organized.

(iv) This Agreement and each Transaction hereunder do not constitute any kind of investment by Party B that is proscribed by any constitution, charter, law, rule, regulation, government code, constituent or governing instrument, resolution, guideline, ordinance, order, writ, judgment, decree, charge, or ruling to which Party B (or any of its officials in their respective capacities as such) or its property is subject.

(c) **Source of Payments.** Party B agrees that its obligations hereunder are, and until the termination of this Agreement pursuant to the terms hereof shall remain, joint and several general obligations of each Obligated Group Member. Upon authentication of obligations related to any Transaction as an Obligation in accordance with the Covered Agreement, such obligations of Party B shall be secured by an Obligation under the Covered Agreement. Each Obligated Group Member shall at all times be jointly and severally liable for each representation, warranty, covenant, agreement and other obligation of Party B under this Agreement and under the MTI Obligation. Party B further covenants and agrees that the obligations of the Obligated Group under the MTI Obligation are and shall at all times remain on parity with any and all other senior Obligations of the Obligated Group issued under the Covered Agreement and all such Obligations under the Covered Agreement including the MTI Obligation are secured by a pledge of the Trust Estate. Party B shall not both (i) authenticate any interest rate swap or other derivative transaction as an Obligation under the Covered Agreement or secure any interest rate swap or other derivative transaction by an Obligation issued pursuant to the Covered Agreement and (ii) secure its obligations under such interest rate swap or other derivative transaction by delivering collateral in the form of cash or securities to the other party thereto without Party A's prior written consent unless Party B secures its obligations under this Agreement by delivering collateral in the form of cash or securities to Party A.

(d) **Obligated Group.** Party B hereby represents that Adventist HealthCare, Inc., Hackettstown Community Hospital, and Adventist Rehabilitation Hospital of Maryland, Inc. are the sole Obligated Group Members. Any person that becomes an Obligated Group Member shall be jointly and severally liable for each representation, warranty, covenant, agreement and other obligation of Party B hereunder. Party B hereby appoints Adventist HealthCare, Inc. to act as agent for it to receive all payments or deliveries to be made by Party A to Party B hereunder and to receive all notices, demands or communications to be sent by Party A to Party B hereunder. Upon delivery by Party A of any payment or delivery or notice, demand or communication hereunder to Adventist HealthCare, Inc. as Obligated Group Representative, Party A shall be relieved of all further responsibility with respect thereto. In keeping with the foregoing agency designation, no Obligated Group Member, other than Adventist HealthCare, Inc. shall be authorized (i) to enter into any Transaction with Party A, (ii) to give instructions to Party A, or (iii) to negotiate the terms of this Agreement including the terms of the Schedule and any Confirmation without the prior written consent of Adventist HealthCare, Inc. Notwithstanding anything contained herein to the contrary, the parties hereby acknowledge and agree that the term "Obligated Group" shall (i) include any and all Obligated Group Members that are or become Obligated Group Members following the date hereof, as of such time each such Obligated Group Member becomes an Obligated Group Member under the terms of the Covered Agreement and (ii) exclude any and all Obligated Group Members that cease to be Obligated Group Members following the date hereof, as of such time each such Obligated Group Member ceases to be an Obligated Group Member under the terms of the Covered Agreement.

(e) **Compliance with Covered Agreement.** Party B will observe, perform and fulfill each covenant, term, and provision in the Granting Clauses, Section 4.03, Section 4.12 and Section 6.05 of the Covered Agreement applicable to Party B, as any of those covenants, terms, and provisions may be amended, supplemented or modified for the purposes of this Agreement with the prior written

consent of Party A (to the extent required below) (the "Incorporated Provisions"). In the event the relevant Covered Agreement ceases to be in effect for any reason, including, without limitation, defeasance of the bonds issued in connection with such Covered Agreement, prior to the termination of this Agreement, the Incorporated Provisions (other than those provisions requiring payments in respect of bonds, notes, warrants or other similar instruments issued in connection with the relevant Covered Agreement) will remain in full force and effect for purposes of this Agreement as though set forth herein until such date on which all of the obligations of Party B under this Agreement have been fully satisfied. The Incorporated Provisions are hereby incorporated by reference and made a part of this Agreement to the same extent as if such provisions were set forth herein. Any amendment, supplement, modification or waiver (other than the Related Supplement) of any of the Incorporated Provisions that materially adversely affects Party A without the prior written consent of Party A shall have no force and effect with respect to this Agreement. Any amendment, supplement or modification for which such consent is obtained shall be part of the Incorporated Provisions for purposes of this Agreement. The issuance of Obligations pursuant to Supplemental Indentures in accordance with the terms of the Covered Agreement shall not require the prior written consent of Party A.

- (f) **Setoff.** (i) In addition to any rights of set-off a party may have as a matter of law or otherwise, upon the occurrence of an Event of Default with respect to a party ("X") hereof (or a provision analogous thereto) or a Termination Event where X is the sole Affected Party, the other party ("Y") shall have the right (but shall not be obliged) without prior notice to X or any other person to set off any obligation of X owing to Y or any Affiliate of Y (whether or not arising under this Agreement, whether or not matured, whether or not contingent and regardless of the currency, place of payment or booking office of the obligation) against any obligations of Y or any Affiliate of Y owing to X (whether or not arising under this Agreement, whether or not matured, whether or not contingent and regardless of the currency, place of payment or booking office of the obligation).
- (ii) For the purpose of cross-currency set off, Y may convert any obligation to another currency at a market rate determined by Y.
- (iii) If any obligation is unascertained, Y may in good faith estimate that obligation and set off in respect of the estimate, subject to the relevant party accounting to the other when the obligation is ascertained.
- (iv) Nothing in this Part 4(f) will have the effect of creating a charge or other security interest. This Part 4(f) shall be without prejudice and in addition to any right of set-off, combination of accounts, lien or other right to which any party is at any time otherwise entitled (whether by operation of law, contract or otherwise).
- (g) **Confirmations.** Party A will deliver to Party B a Confirmation relating to each Transaction.
- (h) **Relationship Between Parties.** Each party will be deemed to represent to the other party on the date on which it enters into a Transaction that (absent a written agreement between the parties that expressly imposes affirmative obligations to the contrary for that Transaction):-
- (i) **Non-Reliance.** It is acting for its own account, and it has made its own independent decisions to enter into that Transaction and as to whether that Transaction is appropriate or proper for it based upon its own judgment and upon advice from such advisers as it has deemed necessary. It is not relying on any communication (written or oral) of the other party as investment advice or as a recommendation to enter into that Transaction; it being

understood that information and explanations related to the terms and conditions of a Transaction shall not be considered investment advice or a recommendation to enter into that Transaction. No communication (written or oral) received from the other party shall be deemed to be an assurance or guarantee as to the expected results of that Transaction.

- (ii) **Assessment and Understanding.** It is capable of assessing the merits of and understanding (on its own behalf or through independent professional advice), and understands and accepts, the terms, conditions and risks of that Transaction. It is also capable of assuming, and assumes, the risks of that Transaction.
  - (iii) **Status of Parties.** The other party is not acting as a fiduciary for or an adviser to it in respect of that Transaction.
- (i) **Party B Transfer.** Section 7 of the Agreement is hereby amended by adding after subparagraph (b) thereof the following subparagraph (c):

“(c) in addition to, and not in lieu of, the preceding transfer rights, Party B may assign its rights and obligations under any Transaction governed by this Agreement, in whole but not in part, upon not less than ten (10) Business Days’ prior written notice, provided that: (i) no Event of Default, Potential Event of Default or Termination Event has occurred and is continuing in which Party B is the Defaulting Party or Affected Party; (ii) such assignment is a complete and unconditional assumption by the assignee, in form acceptable to Party A, of Party B’s obligations under such Transaction arising from and after the effective date of assignment; (iii) prior to or concurrently with such assignment, Party B pays to Party A any and all amounts accrued under this Agreement in respect of such Transaction to but excluding the effective date of such assignment (regardless of whether such amounts would have otherwise been due and payable on such date); and (iv) the assignee is a Reference Market-maker, with whom Party A has executed an ISDA Master Agreement containing standard inter-dealer arrangements and with whom Party A has an active trading line, with sufficient trading capacity to enter into such Transaction based upon Party A’s then-current credit and legal policies and standard criteria (the satisfaction of which shall be determined in Party A’s sole discretion); provided further, however, that until execution of the assignment Confirmation by all parties thereto, the exercise by Party B of its option hereunder shall not prevent either party from designating an Early Termination Date in accordance with the provisions of Section 6 of this Agreement (as the result of the occurrence of an Event of Default or Termination Event), to be effective on any date prior to the designated date for such assignment.”

- (i) **Additional Definitions.** All capitalized terms used but not otherwise defined in this Agreement shall have the meanings given thereto in the Covered Agreement. As used in this Schedule, the following terms shall have the following meanings:

“**Covered Agreement**” means the Amended and Restated Master Trust Indenture dated as of February 1, 2003 by and among the Obligated Group Members (as defined therein) and the Trustee (as defined therein), as amended and supplemented by the Related Supplement and as further amended and supplemented from time to time.

“**Moody’s**” means, Moody’s Investors Service, Inc., or any successor.

“**MTI Obligation**” means (i) the obligations of Party B to make regularly scheduled payments in respect of the Transaction dated October 26, 2005 and bearing reference number AUDPW and to pay any amount payable by Party B upon early termination of such Transaction and (ii) any

obligations of Party B under any other Transaction constituting an Obligation pursuant to the Covered Agreement.

**“Related Supplement”** means the First Supplemental Master Trust Indenture dated as of December 1, 2005, among Party B, Hackettstown Community Hospital, Adventist Rehabilitation Hospital of Maryland, Inc. and Manufacturers and Traders Trust Company, as trustee.

**“S&P”** means, Standard & Poor’s Rating Services (a division of the McGraw Hill Companies), or any successor.

**“Series 2005 Bonds”** means the Maryland Health and Higher Educational Facilities Authority Revenue Bonds, Adventist HealthCare Issue, Series 2005.

**“Stockholders’ Equity”** means, with respect to Morgan Stanley, at any time, the sum (as shown in the most recent annual audited financial statements of Morgan Stanley) of (i) its capital stock (including preferred stock) outstanding, taken at par value, (ii) its capital surplus and (iii) its retained earnings, minus (iv) treasury stock, each to be determined in accordance with generally accepted accounting principles.

IN WITNESS WHEREOF, the parties have executed this Schedule by their duly authorized officers as of the date hereof.

MORGAN STANLEY CAPITAL  
SERVICES INC. TW

By: [Signature]  
Name: Nina C. Smith  
Title: Authorized Signatory

ADVENTIST HEALTHCARE, INC., as  
Obligated Group Representative

By: \_\_\_\_\_  
Name:  
Title:

Each of the undersigned hereby certifies that Adventist Healthcare, Inc., as Obligated Group Representative, is duly authorized by it to execute and deliver this Agreement on its behalf and acknowledges the joint and several obligations imposed upon it by this Agreement.

HACKETTSTOWN COMMUNITY  
HOSPITAL

By: \_\_\_\_\_  
Name:  
Title:

ADVENTIST REHABILITATION  
HOSPITAL OF MARYLAND, INC.

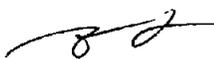
By: \_\_\_\_\_  
Name:  
Title:

IN WITNESS WHEREOF, the parties have executed this Schedule by their duly authorized officers as of the date hereof.

**MORGAN STANLEY CAPITAL  
SERVICES INC.**

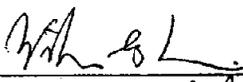
By: \_\_\_\_\_  
Name:  
Title:

**ADVENTIST HEALTHCARE, INC., as  
Obligated Group Representative**

By:  \_\_\_\_\_  
Name: *James Lee*  
Title: *SVP, CFO*

Each of the undersigned hereby certifies that Adventist Healthcare, Inc., as Obligated Group Representative, is duly authorized by it to execute and deliver this Agreement on its behalf and acknowledges the joint and several obligations imposed upon it by this Agreement.

**HACKETTSTOWN COMMUNITY  
HOSPITAL**

By:  \_\_\_\_\_  
Name: *William G. Robertson*  
Title: *CHA*

**ADVENTIST REHABILITATION  
HOSPITAL OF MARYLAND, INC.**

By:  \_\_\_\_\_  
Name: *James Lee*  
Title: *Secretary / Treasurer*

EXHIBIT A

FORM OF MORGAN STANLEY GUARANTEE

Date

[Address]

Ladies and Gentlemen:

In consideration of that certain ISDA Master Agreement dated as of [date] between Morgan Stanley Capital Services Inc., a Delaware corporation (hereinafter "MSCS") and [counterparty] (hereinafter "Counterparty") (such ISDA Master Agreement, together with each Confirmation exchanged between the parties pursuant thereto, hereinafter the "Agreement"), Morgan Stanley, a Delaware corporation (hereinafter "MS"); hereby irrevocably and unconditionally guarantees to Counterparty, with effect from the date of the Agreement, the due and punctual payment of all amounts payable by MSCS under the Agreement when the same shall become due and payable, whether on Scheduled Payment Dates, upon demand, upon declaration of termination or otherwise, in accordance with the terms of the Agreement and giving effect to any applicable grace period. Upon failure of MSCS punctually to pay any such amounts, and upon written demand by Counterparty to MS at its address set forth in the signature block of this Guarantee (or to such other address as MS may specify in writing), MS agrees to punctually pay or cause to be paid such amounts; provided that delay by Counterparty in giving such demand shall in no event affect MS's obligations under this Guarantee.

MS hereby agrees that its obligations hereunder shall be unconditional and will not be discharged except by complete payment of the amounts payable under the Agreement, irrespective of any claim as to the Agreement's validity, regularity or enforceability or the lack of authority of MSCS to execute or deliver the Agreement; or any change in or amendment to the Agreement; or any waiver or consent by Counterparty with respect to any provisions thereof; or the absence of any action to enforce the Agreement or the recovery of any judgment against MSCS or of any action to enforce a judgment against MSCS under the Agreement; or any similar circumstance which might otherwise constitute a legal or equitable discharge or defense of a guarantor generally. MS hereby waives diligence, presentment, demand on MSCS for payment or otherwise (except as provided hereinabove), filing of claims, requirement of a prior proceeding against MSCS and protest or notice, except as provided for in the Agreement with respect to amounts payable by MSCS. If at any time payment under the Agreement is rescinded or must be otherwise restored or returned by Counterparty upon the insolvency, bankruptcy or reorganization of MSCS or MS or otherwise, MS's obligations hereunder with respect to such payment shall be reinstated upon such restoration or return being made by Counterparty.

MS represents to Counterparty as of the date hereof, which representations will be deemed to be repeated by MS on each date on which a Transaction is entered into, that:

it is duly organized and validly existing under the laws of the jurisdiction of its incorporation and has full power and legal right to execute and deliver this Guarantee and to perform the provisions of this Guarantee on its part to be performed;

its execution, delivery and performance of this Guarantee have been and remain duly authorized by all necessary corporate action and do not contravene any provision of its certificate of incorporation or by-laws or any law, regulation or contractual restriction binding on it or its assets;

3. all consents, authorizations, approvals and clearances (including, without limitation, any necessary exchange control approval) and notifications, reports and registrations requisite for its due execution, delivery and performance of this Guarantee have been obtained from or, as the case may be, filed with the relevant governmental authorities having jurisdiction and remain in full force and effect and all conditions thereof have been duly complied with and no other action by, and no notice to or filing with, any governmental authority having jurisdiction is required for such execution, delivery or performance; and
4. this Guarantee is its legal, valid and binding obligation enforceable against it in accordance with its terms except as enforcement hereof may be limited by applicable bankruptcy, insolvency, reorganization or other similar laws affecting the enforcement of creditors' rights or by general equity principles.

By accepting this Guarantee and entering into the Agreement, Counterparty agrees that MS shall be subrogated to all rights of Counterparty against MSCS in respect of any amounts paid by MS pursuant to this Guarantee, provided that MS shall be entitled to enforce or to receive any payment arising out of or based upon such right of subrogation only to the extent that it has paid all amounts payable by MSCS under the Agreement.

This Guarantee shall be governed by and construed in accordance with the laws of the State of New York. All capitalized terms not otherwise defined herein shall have the respective meanings assigned to them in the Agreement.

**MORGAN STANLEY**

By: \_\_\_\_\_  
Name:  
Title:  
Address: 1585 Broadway  
3rd Floor  
New York, NY 10036  
Attention: Derivative Products Group  
Fax No.: (212) 761-0162

EXHIBIT B-1

FORM OF OPINION OF OUTSIDE COUNSEL  
FOR PARTY A

[LETTERHEAD OF CADWALADER, WICKERSHAM & TAFT LLP]

[DATE]

[COUNTERPARTY]  
[ADDRESS]

Ladies and Gentlemen:

We have acted as a counsel to Morgan Stanley Capital Services Inc. ("MSCS") in connection with the ISDA Master Agreement dated as of [\_\_\_\_\_, 200\_] (the "ISDA Master Agreement"), including the Schedule (the "Schedule") and the Credit Support Annex thereto and the Confirmation thereunder dated [\_\_\_\_\_, 200\_] (collectively the "Swap Agreement"), between MSCS and [\_\_\_\_\_] (the "Counterparty"). We are rendering this opinion letter to you at the request of MSCS pursuant to Part 2 of the Schedule.

In rendering the opinion set forth below, we have examined and relied upon the originals, copies or specimens, certified or otherwise identified to our satisfaction, of the Swap Agreement and such certificates, corporate and public records, agreements and instruments and other documents, including, among other things, the documents delivered on the date hereof, as we have deemed appropriate as a basis for the opinion expressed herein. In such examination we have assumed the genuineness of all signatures, the authenticity of all documents, agreements and instruments submitted to us as originals, the conformity to original documents, agreements and instruments of all documents, agreements and instruments submitted to us as copies or specimens, the authenticity of the originals of such documents, agreements and instruments submitted to us as copies or specimens, and the accuracy of the matters set forth in the documents, agreements and instruments we reviewed. As to matters of fact relevant to the opinion expressed herein, we have relied upon, and assumed the accuracy of, the representations and warranties contained in the Swap Agreement and certificates and oral or written statements and other information obtained from MSCS, the other parties to the transaction referenced herein, and public officials. Except as expressly set forth herein, we have not undertaken any independent investigation (including, without limitation, conducting any review, search or investigation of any public files, records or dockets) to determine the existence or absence of the facts that are material to our opinion, and no inference as to our knowledge concerning such facts should be drawn from our reliance on the representations of MSCS and others in connection with the preparation and delivery of this letter.

We have assumed that the Swap Agreement has been duly authorized, executed and delivered by all parties thereto, that all such parties are validly existing and in good standing under the laws of their respective jurisdictions of organization, that all such parties had the power and legal right to execute and deliver the Swap Agreement, and that the Swap Agreement constitutes the legal, valid and binding obligation of all such parties (other than MSCS), enforceable against all such parties (other than MSCS) in accordance with its terms. We have also assumed that the Swap Agreement we have reviewed evidences the entire agreement between the parties, and has not been amended, modified or supplemented

in writing or otherwise by any other agreement or understanding of the parties or by waiver of any material provision thereof. We have also assumed and have not independently verified under the law of any jurisdiction that the opinions expressed in the letter dated the date hereof of [     ], Esq., Counsel to MSCS, addressed to the Counterparty in connection with the Swap Agreement, are reasonable and correct. All assumptions and qualifications in such opinions are incorporated herein to the extent relevant to the opinions expressed below.

Insofar as the opinion expressed herein relates to Section 11(a) of the ISDA Master Agreement and Part 3(f) of the Schedule, we have assumed that the Swap Agreement is in consideration of or relates to an obligation arising out of a transaction covering in the aggregate not less than U.S. \$250,000. Insofar as the opinion expressed herein relates to Section 11(b) of the ISDA Master Agreement and Part 3(f) of the Schedule, we have assumed that the Swap Agreement is in consideration of or relates to an obligation arising out of a transaction covering in the aggregate not less than U.S. \$1,000,000.

We express no opinion concerning the laws of any jurisdiction other than the laws of the State of New York and, to the extent expressly referred to in this letter, the federal laws of the United States of America.

We express no opinion herein as to: (i) the legality, validity, binding effect or enforceability of the Swap Agreement under applicable anti-gaming, anti-gambling, and anti-bucket shop laws, rules, and regulations; (ii) the legality, validity, binding effect or enforceability of the Swap Agreement (including the setoff provisions in Part 4(j) of the Schedule) to the extent it purports to relate to affiliates of MSCS; and (iii) the creation, perfection or priority of any lien, security interest, or other encumbrance created or purported to be created pursuant to the Swap Agreement.

Based upon and subject to the foregoing, we are of the opinion that the Swap Agreement constitutes the legal, valid and binding agreement of MSCS and is enforceable against MSCS in accordance with its terms, subject to applicable bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium, receivership or other laws relating to or affecting creditors' rights generally, general principles of equity (regardless of whether enforcement is sought in a proceeding at law or in equity), and to the discretion of a court or other authority or body to invalidate or decline to enforce any right, remedy or provision of the Swap Agreement (including without limitation the termination payment provisions thereof) determined by it to be a penalty. However, the enforcement of rights with respect to indemnification and contribution obligations and provisions relating to severability, provisions purporting to waive or limit rights to trial by jury, oral amendments to written agreements or rights of set off, provisions relating to submission to jurisdiction, venue or service of process, or provisions purporting to prohibit, restrict or require the consent of the other party for the transfer of, or the creation, attachment or perfection of a security interest in, the Swap Agreement or an interest therein, may be limited by applicable law or considerations of public policy.

We are furnishing this letter to you solely for your benefit in connection with the Swap Agreement. Without our prior written consent, this letter is not to be relied upon, used, circulated, quoted or otherwise referred to by, or assigned to, any other person (including any person that seeks to assert your rights in respect of this letter (other than your successor in interest by means of merger, consolidation, transfer of a business or other similar transaction)) or for any other purpose; provided, that this letter may be included in a transcript related to issuance of bonds issued on the date hereof. In addition, we disclaim any obligation to update this letter for changes in fact or law, or otherwise.

Very truly yours,

EXHIBIT B-2

FORM OF OPINION OF INTERNAL COUNSEL  
FOR PARTY A

[DATE]

[COUNTERPARTY]  
[ADDRESS]

Ladies and Gentlemen:

As Counsel to Morgan Stanley Capital Services Inc., a Delaware corporation ("Morgan Stanley"), I advise you as follows in connection with the ISDA Master Agreement, the Schedule and Credit Support Annex thereto dated as of [DATE], and the Confirmation thereunder dated [DATE] (the "Agreement") between Morgan Stanley and [COUNTERPARTY].

In arriving at the opinions expressed below, I have, or someone under my supervision has, examined an original or copy of: (i) the ISDA Master Agreement and (ii) the Schedule and Credit Support Annex to the ISDA Master Agreement, and (iii) the Confirmation, each executed on behalf of Morgan Stanley. I have, or someone under my supervision has, also reviewed such corporate records of Morgan Stanley, certificates of public officials, officers of Morgan Stanley and other persons, and such other documents, agreements and instruments, and such matters of law, as I have deemed necessary as a basis for the opinions expressed in this letter. In such review, I have relied as to certain matters on information obtained from public officials, officers of Morgan Stanley and other sources believed by me to be reliable, and I have assumed the genuineness of all signatures, the authenticity of all documents submitted to me as originals, the conformity to original documents of all documents submitted to me as certified, photostatic or reproduced copies and the authenticity of the originals of all such latter documents. Based upon the aforementioned examination and review, and subject to the foregoing and following comments and qualifications, it is my opinion that:

1. Morgan Stanley has been duly incorporated and is an existing corporation in good standing under the laws of the State of Delaware.
2. The Agreement has been duly authorized, executed and delivered by Morgan Stanley.
3. The execution, delivery and performance of the Agreement by Morgan Stanley does not contravene any provision of the Certificate of Incorporation or By-Laws of Morgan Stanley.

In connection with my opinion in paragraph (2) above, I note that, as of the date of this opinion, a judgment for money in an action based on the Agreement in a Federal or state court in the United States ordinarily would be enforced in the United States only in United States dollars. The date used to determine the rate of conversion of the foreign currency or currency unit in which an obligation under the Agreement is denominated into United States dollars will depend on various factors, including which court renders the judgment. Under Section 27 of the New York Judiciary Law, a state court in the State of New York rendering a judgment on a claim under the Agreement denominated in a foreign currency or currency unit would be required to render such judgment in the foreign currency or currency unit in which the claim is denominated, and that judgment would be converted into United States dollars at the exchange rate prevailing on the date of entry of the judgment.

In rendering the foregoing opinions, I have assumed, with respect to all of the documents referred to in this opinion letter, that (except as to Morgan Stanley): (i) each party to such documents is duly organized and validly existing; (ii) each party to such documents has the requisite power and authority (corporate or other) to execute and deliver such documents and perform its obligations under such documents; (iii) the execution, delivery and performance of such documents have been duly authorized by each party thereto; (iv) such documents have been duly executed and delivered by each party thereto; (v) such documents constitute the legal, valid and binding agreement of each of the parties thereto, enforceable against each such party in accordance with their respective terms; and (vi) each party to such documents has obtained all consents, approvals, authorizations, orders, licenses, registrations and qualifications (including any applicable foreign exchange licenses) from, and has made all filings and registrations with, all governmental or regulatory authorities or agencies required for the execution or delivery of, or for the performance or incurrence of any obligations or liabilities under, such documents.

In rendering the foregoing opinions, I am not addressing any matters relating to any specific transactions entered into pursuant to the Master Agreement (other than the Transaction evidenced by the above-referenced Confirmation). Furthermore, I express no opinion as to the validity and enforceability of any provision of the Agreement that (i) purports to limit, condition or impose remedies for the exercise of either party's ability to transfer its rights under the Agreement or a Confirmation in a manner contrary to Section 9 406 or 9 408 of the New York Uniform Commercial Code; (ii) requires any amendment or waiver to be in writing, to the extent that an oral agreement or waiver, or an implied agreement or waiver by trade practice or course of conduct, has been created that modifies any such provision; or (iii) is determined to be a penalty or a forfeiture, including by reason of a party being required or allowed to pay, deliver, receive or recover (or not to pay, deliver, receive or recover) any amount or item. In addition, I express no opinions as to any violation of, or any consent or approval required under, any law or regulation which may be applicable to Morgan Stanley as a result of the involvement of any other party to the Agreement. Any foregoing opinion relating to enforceability or performance by Morgan Stanley of its obligations are qualified by and subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar laws of general applicability relating to or affecting creditors' rights and to general equity principles.

The foregoing opinion is limited to the Federal laws of the United States, the laws of the State of New York and the General Corporation Law of the State of Delaware, and I am expressing no opinion as to the effect of the laws of any other jurisdiction.

I am furnishing this opinion to you solely for your benefit in connection with the above-referenced Agreement. Except for your own internal use, this opinion is not to be used or circulated, quoted or otherwise referred to, or relied upon without my express written consent, except that it may be included in a transcript related to issuance of bonds issued on the date hereof. I do not undertake to update, revise or supplement any opinion or statement herein for any reason whatsoever.

Very truly yours,

Counsel

EXHIBIT B-3

FORM OF OPINION OF INTERNAL COUNSEL  
FOR PARTY A

[DATE]

[COUNTERPARTY]  
[ADDRESS]

Ladies and Gentlemen:

As Counsel to Morgan Stanley, a Delaware corporation ("Morgan Stanley"), I advise you as follows in connection with the Guarantee issued by Morgan Stanley, dated [DATE] (the "Guarantee") in connection with the ISDA Master Agreement, dated as of [DATE] between Morgan Stanley Capital Services Inc. and [COUNTERPARTY] (the "Agreement").

In arriving at the opinions expressed below, I have, or someone under my supervision has, examined an original or copy of the Guarantee executed on behalf of Morgan Stanley. I have, or someone under my supervision has, also reviewed such corporate records of Morgan Stanley, certificates of public officials, officers of Morgan Stanley and other persons, and such other documents, agreements and instruments, and such matters of law, as I have deemed necessary as a basis for the opinions expressed in this letter. In such review, I have relied as to certain matters on information obtained from public officials, officers of Morgan Stanley and other sources believed by me to be reliable, and I have assumed the genuineness of all signatures, the authenticity of all documents submitted to me as originals, the conformity to original documents of all documents submitted to me as certified, photostatic or reproduced copies and the authenticity of the originals of all such latter documents. Based upon the aforementioned examination and review, and subject to the foregoing and following comments and qualifications, it is my opinion that:

- (i) Morgan Stanley has been duly incorporated and is an existing corporation in good standing under the laws of the State of Delaware.
- (ii) The Guarantee has been duly authorized, executed and delivered by Morgan Stanley and the Guarantee constitutes the valid and legally binding obligation of Morgan Stanley enforceable in accordance with its terms.
- (iii) The execution, delivery and performance of the Guarantee by Morgan Stanley does not contravene any provision of the Certificate of Incorporation or By-Laws of Morgan Stanley.

Any foregoing opinion relating to enforceability or performance by Morgan Stanley of its obligations are qualified by and subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar laws of general applicability relating to or affecting creditors' rights and to general equity principles.

I am admitted to practice in the State of New York. The foregoing opinion is limited to the Federal laws of the United States, the laws of the State of New York and the General Corporation Law of the State of Delaware, and I am expressing no opinion as to the effect of the laws of any other jurisdiction.

I am furnishing this opinion to you solely for your benefit in connection with the above-referenced Guarantee. Except for your own internal use, this opinion is not to be used or circulated, quoted or otherwise referred to, or relied upon without my express written consent, except that it may be included in a transcript related to issuance of bonds issued on the date hereof. I do not undertake to update, revise or supplement any opinion or statement herein for any reason whatsoever.

**Very truly yours,**

**Counsel**

Date:	October 26, 2005	<u>EXECUTION COPY</u>	
To:	Adventist HealthCare, Inc., as Obligated Group Representative	From:	Morgan Stanley Capital Services Inc.
Attn:	James G. Lee, Senior Vice President & CFO	Contact:	NY Deriv Client Services
Fax:	301-315-3011	Fax:	646-202-9134
Tel:	301-315-3025	Tel:	212-761-2996
E-mail:	jlee@adventisthealthcare.com	E-mail:	Municonfirms_In@morganstanley.com

Re: Interest Rate Swap MSCS Ref. No. AUDPW

The purpose of this letter agreement is to confirm the terms and conditions of the Swap Transaction entered into between us on the Trade Date specified below (the "Transaction"). This letter agreement constitutes a "Confirmation" as referred to in the ISDA Master Agreement below.

The definitions and provisions contained in the 2000 ISDA Definitions (as published by the International Swaps and Derivatives Association, Inc.) (the "Definitions") are incorporated into this Confirmation. In the event of any inconsistency between the Definitions and this Confirmation, this Confirmation will govern.

1. This Confirmation supplements, forms part of, and is subject to, the ISDA Master Agreement dated as of October 26, 2005, as amended and supplemented from time to time (the "Agreement") between you and us. All provisions contained in the Agreement govern this Confirmation except as expressly modified below.

2. The terms of the particular Transaction to which this Confirmation relates are as follows:

Party A: Morgan Stanley Capital Services Inc.

Party B: Adventist HealthCare, Inc., as Obligated Group Representative

Trade Date: October 26, 2005

Notional Amount: USD 64,590,000 amortizing according to Schedule 1

Effective Date: Any Business Day between December 8, 2005 and December 30, 2005 at Party B's option. Party B shall provide one (1) Business Day's prior written notice of the Effective Date to Party A. In the absence of such written notice, the Effective Date shall be December 30, 2005.

Termination Date: January 1, 2021

Fixed Amounts:

Fixed Rate Payer: Party B

Fixed Rate Payer Payment Dates: The third Business Day of each month, commencing on January 5, 2006, up to and including the Termination Date.

**Fixed Rate Payer Period End Dates:** The first calendar day of each month, commencing on January 1, 2006, up to and including the Termination Date, with No Adjustment.

**Fixed Rate:** 3.457%

**Fixed Rate Day Count Fraction:** 30/360

**Floating Amounts:**

**Floating Rate Payer:** Party A

**Floating Rate Payer Payment Dates:** The third Business Day of each month, commencing on January 5, 2006, up to and including the Termination Date.

**Floating Rate Payer Period End Dates:** The first calendar day of each month, commencing on January 1, 2006, up to and including the Termination Date, with No Adjustment.

**Floating Rate Option:** 67% (sixty-seven percent) of USD-LIBOR-BBA

**Designated Maturity:** One month

**Floating Rate Reset Dates:** The Effective Date and thereafter monthly, on the first calendar day of each month, commencing on January 1, 2006, up to and including the Termination Date, with No Adjustment.

**Floating Rate Day Count Fraction:** Actual/Actual

**Compounding:** Inapplicable

**Method of Averaging:** Inapplicable

**Business Days:** New York

**Calculation Agent:** Party A

3. Account Details.

**Payments to Party A:**  
 Citibank, New York  
 ABA No. 0210-0008-9  
 For: Morgan Stanley Capital Services Inc.  
 Account No. 4072 4601

**Payments to Party B:**  
 M & T Bank  
 ABA No. 0220-0004-6  
 Account Name: Adventist HealthCare  
 Account No. 970313260

**Party A Operations Contact:**  
 Municipal Operations  
 Tel: 410-534-1436  
 Fax: 410-522-5487  
 E-mail: MuniOperations@MorganStanley.com

Party B Operations Contact:

Maureen Dymond, Director of Treasury Services

Tel: 301-315-3275

Fax: 301-315-3265

E-mail: mdymond@adventisthealthcare.com

4. **Bidding Agent and Swap Advisor Fees.** Party B hereby directs Party A, upon execution of this Confirmation, to pay (i) USD 109,000 to B.C. Ziegler and Company ("Ziegler") as a bidding agent fee and (ii) USD 109,000 to Cain Brothers & Co., LLC ("Cain Brothers") as a swap advisor fee, each for services that Ziegler and Cain Brothers provided to Party B in connection with this Transaction. These fees are reflected in, and have increased, the Fixed Rate payable by Party B hereunder.

5. **Optional Early Termination.** Party B has the option to terminate this Transaction, in whole or in part (provided that no Event of Default, Potential Event of Default or Termination Event has occurred), by providing (i) at least three (3) Business Days' prior written notice to Party A of its election to terminate this Transaction in whole or in part (if in part, such notice shall state the Notional Amount to be terminated) and (ii) evidence reasonably satisfactory to Party A that any and all amounts owed to Party A in connection with such early termination shall be paid on the due date thereof (the effective date of such optional early termination, hereinafter the "Optional Early Termination Date"); provided, however, that the option to designate an Optional Early Termination Date under this Paragraph 5 shall not prevent either party from designating an Early Termination Date in accordance with the provisions of Section 6 of this Agreement (as a result of the occurrence of an Event of Default or Termination Event), to be effective on any date prior to the Optional Early Termination Date designated hereunder. Such termination shall constitute an Additional Termination Event under Section 6(e) of the Agreement with Party B as the sole Affected Party and this Transaction as the sole Affected Transaction (with the amount by which this Transaction is being reduced as the Notional Amount of the Terminated Transaction). In the event of such termination, the Calculation Agent shall determine the amount owed in connection with such termination using its commercially reasonable judgment. If Party B disputes such calculation, the Calculation Agent shall seek bids from Reference Market-makers consistent with the provisions of Section 6(e)(ii)(1) (Market Quotation applies) of the Agreement, and each Reference Market-maker shall certify in writing that such Reference Market-maker is prepared to take an assignment of this Transaction based on their quotation. In the event that an amount cannot be determined in accordance with Section 6(e)(ii)(1) (Market Quotation applies), the amount owed shall be the amount determined by the Calculation Agent in accordance with Section 6(e)(ii)(1) (Loss applies).

Please confirm that the foregoing correctly sets forth the terms of our agreement MSCS Ref. No. AUDPW by executing this Confirmation and returning it to us promptly.

We are delighted to have entered into this Transaction with you and look forward to serving you further in the future.

Best regards,

**MORGAN STANLEY CAPITAL SERVICES INC.**

By: \_\_\_\_\_

Name:  
Title:

  
Fabrice Pilato  
Authorized Signatory

ACKNOWLEDGED AND AGREED as of the date first written:

**ADVENTIST HEALTHCARE, INC., as Obligated Group Representative**

By: \_\_\_\_\_

Name:  
Title:

Please confirm that the foregoing correctly sets forth the terms of our agreement MSCS Ref. No. AUDPW by executing this Confirmation and returning it to us promptly.

We are delighted to have entered into this Transaction with you and look forward to serving you further in the future.

Best regards,

**MORGAN STANLEY CAPITAL SERVICES INC.**

By: \_\_\_\_\_  
Name:  
Title:

ACKNOWLEDGED AND AGREED as of the date first written:

**ADVENTIST HEALTHCARE, INC., as Obligated Group Representative**

By: \_\_\_\_\_  
Name: *James Lee*  
Title: *SVP, CFO*

**SCHEDULE 1**  
to Confirmation (MSCS Ref. No. AUDPW),  
dated October 26, 2005,  
between Morgan Stanley Capital Services Inc.  
and Adventist HealthCare, Inc., as Obligated Group Representative

**Amortizations shall occur on the Floating Rate Payer Period End Date  
corresponding to each related date below.**

<b>FROM (and including)</b>	<b>TO (but excluding)</b>	<b>NOTIONAL AMOUNT</b>
Effective Date	1-Jan-2013	USD 64,590,000
1-Jan-2013	1-Jan-2014	58,960,000
1-Jan-2014	1-Jan-2015	53,075,000
1-Jan-2015	1-Jan-2016	46,930,000
1-Jan-2016	1-Jan-2017	40,505,000
1-Jan-2017	1-Jan-2018	33,795,000
1-Jan-2018	1-Jan-2019	26,770,000
1-Jan-2019	1-Jan-2020	19,420,000
1-Jan-2020	Termination Date	10,800,000