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10/28/11
11/16/11
11/21/11
12/13/11

INDENTURE OF TRUST

Dated as of December 1, 2011

by and between the

SURPRISE VALLEY HEALTH CARE DISTRICT

and

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

Relating to
$800,000
SURPRISE VALLEY HEALTH CARE DISTRICT
2011 HIT/EHR Taxable Promissory Notes

19077.02

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EXHIBIT A: FORM OF NOTE

INDENTURE OF TRUST

THIS INDENTURE OF TRUST (this "Indenture"), made and entered into as of December 1, 2011, by and between SURPRISE VALLEY HEALTH CARE DISTRICT, a local health care district of the State of California (the "District"), and THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., a national banking association duly organized and existing under the laws of the United States of America and qualified to accept and administer the trusts hereby created (the "Trustee").

W I T N E S S E T H:

WHEREAS, the District desires to finance certain health information technology/electronic health records (HIT/EHR) equipment and software (the "Project");

WHEREAS, the District finds and determines that, in order to finance the Project, it is in the best interests of the District at this time to issue its Surprise Valley Health Care District 2011 HIT/EHR Taxable Promissory Notes (the "Notes");

WHEREAS, Notes constitute "promissory notes" and are being issued pursuant to the provisions of section 32130.2 of the California Health and Safety Code and the District hereby finds that the Project has a useful life equal to, or longer than, the term of the Notes;

WHEREAS, in order to provide for the execution and delivery of the Notes, to establish and declare the terms and conditions upon which the Notes are to be issued and secured and to secure the payment of the principal thereof and interest thereon, the District has authorized the execution and delivery of this Indenture; and

WHEREAS, the District has determined that all acts and proceedings required by law or necessary to make the Notes, when executed by the District, and duly issued, the valid, binding and legal limited obligations of the District, and to constitute this Indenture a valid and binding agreement for the uses and purposes herein set forth in accordance with its terms, have been done and taken, and the execution and delivery of this Indenture have been in all respects duly authorized;

NOW, THEREFORE, THIS INDENTURE WITNESSETH, that in order to secure the payment of the principal of, and the interest and premium, if any, on, all Notes at any time issued and outstanding under this Indenture, according to their tenor, and to secure the performance and observance of all the covenants and conditions therein and herein set forth, and to declare the terms and conditions upon and subject to which the Notes are to be issued and received, and in consideration of the premises and of the mutual covenants herein contained and of the purchase and acceptance of the Notes by the owners thereof, and for other valuable consideration, the receipt whereof is hereby acknowledged, the District does hereby covenant and agree with the Trustee for the benefit of the respective owners from time to time of the Notes, as follows:

ARTICLE I

DEFINITIONS; CONTENT OF CERTIFICATES AND OPINIONS

Section 1.01. Definitions. Unless the context otherwise requires, the terms defined in this Section 1.01 shall, for all purposes of this Indenture and of any Supplemental Indenture and of any certificate, opinion or other document herein mentioned, have the meanings herein specified, to be equally applicable to both the singular and plural forms of any of the terms herein defined. Unless otherwise defined in this Indenture, all terms used herein shall have the meanings assigned to such terms in the Law.

"Authorized Representative" means, with respect to the District, the President of its Board of Directors, its Administrator, its Chief Financial Officer, or any other person designated as an Authorized Representative of the District by a Certificate of the District signed by the President of its Board of Directors, its Administrator or its Chief Financial Officer and filed with the Trustee.

"Available Moneys" means all legally available moneys, income, receipts and moneys received by or on behalf of the District, excluding gifts, grants, bequests, donations and contributions to the extent specifically restricted by the donor to a particular purpose inconsistent with their use for the payment of debt service on the Notes and excluding ad valorem tax revenue securing general obligation bonds of the District; *provided, however,* that the application of Available Moneys hereunder for the payment of debt service on the Notes is subject to any pledges of such revenues, income, receipts and moneys received by or on behalf of the District heretofore or hereafter made by the District.

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

"Business Day" means any day other than a Saturday, Sunday, or a day on which banking institutions in the State are authorized or obligated by law or executive order to be closed.

"Certificate," "Statement," "Request," "Requisition" and *"Order"* of the District mean, respectively, a written certificate, statement, request, requisition or order signed in the name of the District by an Authorized Representative of the District. Any such instrument and supporting opinions or representations, if any, may, but need not, be combined in a single instrument with any other instrument, opinion or representation, and the two or more so combined shall be read and construed as a single instrument. If and to the extent required by Section 1.02 of this Indenture, each such instrument shall include the statements provided for in Section 1.02 of this Indenture.

"Closing Date" means the date on which the Notes are delivered by the District to the Owner.

"Costs of Issuance" means all items of expense directly or indirectly payable by or reimbursable to the District and related to the authorization, execution, sale and delivery of the Notes, including but not limited to advertising and printing costs, costs of preparation and reproduction of documents, filing fees, initial fees and charges of the Trustee, legal fees and charges and any other cost, charge or fee in connection with the original delivery of Notes.

"Debt Service Fund" means the fund by that name established pursuant to Section 5.01 of this Indenture.

"District" means Surprise Valley Health Care District, a local health care district duly organized and existing under the Law.

"Event of Default" means any of the events specified in Section 8.01 of this Indenture.

"Fiscal Year" means the period beginning on July 1 of each year and ending on the next succeeding June 30, or any other twelve-month period hereafter selected and designated as the official fiscal year period of the District.

"Indenture" means this Indenture, as originally executed or as it may from time to time be supplemented, modified or amended by any Supplemental Indenture.

"Interest Account" means the account by that name in the Debt Service Fund established pursuant to Section 5.02 of this Indenture.

"Interest Payment Date" means June 1 and December 1 in each year, commencing June 1, 2013, or, if such day is not a Business Day, on the next succeeding Business Day, so long as any of the Notes remain Outstanding hereunder.

"Law" means The Local Health Care District Law, constituting Division 23 of the California Health and Safety Code, as now in effect and as it may from time to time hereafter be amended or supplemented.

"Moody's" means Moody's Rating Service, its successors and their assigns, or, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, any other nationally recognized securities rating agency designated by the District.

"Notes" means the $800,000 Surprise Valley Health Care District 2011 HIT/EHR Taxable Promissory Notes, issued hereunder.

"Note Year" means the period of twelve consecutive months ending on December 1 in any year in which Notes are Outstanding.

"Opinion of Counsel" means a written opinion of counsel (who may be counsel for the District) selected by the District and reasonably acceptable to the Trustee. If and to the extent required by the provisions of Section 1.02 of this Indenture, each Opinion of Counsel shall include the statements provided for in Section 1.02 of this Indenture.

"Optional Redemption Account" means the account by that name in the Redemption Fund established pursuant to Section 5.06 of this Indenture.

"Outstanding," when used as of any particular time with reference to Notes, means all Notes theretofore, or thereupon being issued under this Indenture except Notes theretofore canceled by the Trustee or surrendered to the Trustee for cancellation.

"Owner," whenever used herein, means UHC of California, as purchaser of the Notes.

"Person" means a corporation, firm, association, partnership, trust, or other legal entity or group of entities, including a governmental entity or any agency or political subdivision thereof.

"Principal Account" means the account by that name in the Debt Service Fund established pursuant to Section 5.02 of this Indenture.

"Principal Corporate Trust Office" or "principal corporate trust office" means the principal corporate trust office of the Trustee, which as of the date of this Indenture is located at 700 South Flower Street, Suite 500, Los Angeles, CA 90017, Attention: Corporate Trust Department, or solely for purposes of payment, transfer, exchange or registration of Notes, such corporate trust agency office as may be designated by the Trustee, or for all other purposes, such other or additional offices as may be designated by the Trustee.

"Redemption Fund" means the fund by that name established pursuant to Section 5.05 of this Indenture.

"Redemption Price" means, with respect to any Note (or portion thereof) the principal amount of such Note (or portion) payable upon redemption thereof pursuant to the provisions of such Note and this Indenture.

"S&P" means Standard & Poor's Ratings Services, A Division of The McGraw-Hill Companies, Inc., its successors and their assigns, or, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, any other nationally recognized securities rating agency designated by the District.

"State" means the State of California.

"Supplemental Indenture" means any indenture hereafter duly authorized and entered into between the District and the Trustee supplementing, modifying or amending this Indenture, but only if and to the extent that such Supplemental Indenture is specifically authorized hereunder.

"Trustee" means The Bank of New York Mellon Trust Company, N.A., a national banking association organized and existing under the laws of the United States of America, or its successor, as Trustee as provided in Section 9.01 of this Indenture.

Section 1.02. Content of Certificates and Opinions. Every certificate or opinion provided for in this Indenture with respect to compliance with any provision hereof shall include (a) a statement that the person making or giving such certificate or opinion has read such provision and the definitions herein relating thereto; (b) a brief statement as to the nature and scope of the examination or investigation upon which the certificate or opinion is based; (c) a statement that, in the opinion of such person, he or she has made or caused to be made such examination or investigation as is necessary to enable him or her to express an informed opinion with respect to the subject matter referred to in the instrument to which his or her signature is affixed; and (d) a statement as to whether, in the opinion of such person, such provision has been complied with.

Section 1.03. Interpretation.

(a) Unless the context otherwise indicates, words expressed in the singular shall include the plural and vice versa and the use of the neuter, masculine, or feminine gender is for convenience only and shall be deemed to mean and include the neuter, masculine or feminine gender, as appropriate.

(b) Headings of articles and sections herein and the table of contents hereof are solely for convenience of reference, do not constitute a part hereof and shall not affect the meaning, construction or effect hereof.

(c) All references herein to "Articles," "Sections" and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Indenture; the words "herein," "hereof," "hereby," "hereunder" and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or subdivision hereof.

ARTICLE II

THE NOTES

Section 2.01. Authorization and Terms of Notes. No Notes may be issued under this Indenture except in accordance with the provisions of this Article II.

(a) There shall be issued under and secured by this Indenture the Notes in the aggregate principal amount of $800,000 designated "Surprise Valley Health Care District 2011 HIT/EHR Taxable Promissory Notes" for the purpose of providing funds to finance the Project.

(b) The Notes shall be dated the Closing Date and shall bear interest at the rate of 3.75% per annum to maturity, payable on each Interest Payment Date. Interest on the Notes accrue from the Closing Date, and shall be calculated on the basis of a 360 day year composed of twelve 30 day months. The Notes shall be issuable only as one fully registered note without coupons in the total principal amount of $800,000.

(c) The Notes shall mature on December 1, 2016.

(d) The Notes are subject to prior redemption as set forth in Article IV hereof. The Notes shall be substantially in the form and tenor set forth in Exhibit A hereto with such appropriate variations, omissions and insertions as are permitted or required by this Indenture. Notwithstanding any other provision in this Indenture, the Owner shall not be required to surrender Notes which have been partially paid. The Trustee and the Owner shall record on their books any partial redemption or principal payment made on such Notes.

Section 2.02. Form of Notes. The Notes shall be substantially in the form set forth in Exhibit A, which is attached hereto and by this reference incorporated herein, with necessary or appropriate variations, omissions and insertions, as permitted or required by this Indenture.

Section 2.03. Execution of Notes. The Notes shall be executed in the name and on behalf of the District with the manual signature of the President of the Board, the Administrator or the Chief Financial Officer and attested by the manual signature of the Secretary or an Assistant Secretary of the Board.

Section 2.04. No Transfer. The Notes are not subject to transfer.

Section 2.05. No Exchange. The Notes are not subject to exchange.

ARTICLE III

ISSUANCE OF NOTES; APPLICATION OF PROCEEDS

Section 3.01. Issuance of Notes. At any time after the execution and delivery of this Indenture, the District may sell and execute and deliver Notes in the aggregate principal amount of eight hundred thousand dollars ($800,000).

Section 3.02. Application of Proceeds of Notes. Upon receipt of the Notes, the proceeds of the Notes will be remitted by the Purchaser directly to the District. The District agrees and covenants that the proceeds of the Notes will be held in a segregated fund or account and will be used solely to pay or reimburse costs of the Project and will be used for no other purpose. Upon completion of the Project, the District shall provide a copy of the final invoice to the Owner, and shall promptly apply any remaining proceeds of the Notes in excess of amounts applied to payment of the costs of the Project to prepayment of the outstanding principal balance of the Notes, which prepayment shall be applied to reduce principal installments in inverse order of maturity.

Section 3.03. Costs of Issuance. Costs of Issuance shall be paid by the Owner from its Small Issuance Grant Program upon the submission of invoices therefor.

Section 3.04. Validity of Notes.

(a) The Board has reviewed all proceedings heretofore taken relative to the authorization of the Notes and has found, as a result of such review, and hereby finds and determines that all acts, conditions and things required by law to exist, happen or be performed precedent to and in the issuance of the Notes do exist, have happened and have been performed in due time, form and manner as required by law, and the Board is now authorized, pursuant to each and every requirement of the Law to issue the Notes in the form and manner provided in this Indenture and the Notes shall be entitled to the benefit, protection and security of the provisions of this Indenture.

(b) From and after the issuance of the Notes the findings and determinations of the Board respecting the Notes shall be conclusive evidence of the existence of the facts so found and determined in any action or proceeding in any court in which the validity of the Notes is at issue, and no bona fide purchaser of any of the Notes shall be required to see to the existence of any fact or to the performance of any condition or to the taking of any proceeding required prior to such issuance or to the application of the proceeds of sale of the Notes. The validity of the issuance of the Notes shall not be dependent on or affected in any way by (i) any proceedings taken by the District for the acquisition and construction of the Project or (ii) any contracts made by the District in connection therewith or (iii) the failure to complete the acquisition and implementation of the Project. The recital contained in the Notes that the same are issued pursuant to the Law and this Indenture shall be conclusive evidence of their validity and of the regularity of the issuance and all Notes shall be incontestable from and after their issuance. The Notes shall be deemed to be issued, within the meaning of this Indenture, whenever the definitive Notes (or any temporary Notes exchangeable therefor) have been delivered to the purchaser thereof and the proceeds of sale thereof received.

ARTICLE IV

REDEMPTION OF NOTES

Section 4.01. Terms of Redemption.

(a) *Optional Redemption.* The Notes are subject to redemption at the option of the District as a whole or in part on any date, in inverse order of maturity, from moneys deposited in the Optional Redemption Account pursuant to Section 5.05 of this Indenture, at the principal amount thereof and interest accrued thereon to the date fixed for redemption, without premium. In order to create an incentive for the District to prepay the Notes, the District shall receive an incentive rebate of principal from the Owner for prepayment in whole prior to the maturity date of the Note, as follows:

Prepayment Date	Rebate Amount
On or prior to 36 month anniversary of the Closing Date	10% of original principal
On or prior to 42 month anniversary of Closing Date	7.5% of original principal
On or prior to 48 month anniversary of Closing Date	5% of original principal

Mandatory Sinking Account Redemption. The Notes are subject to redemption prior to their stated maturity, in part, by lot, from mandatory sinking account payments on each December 1, 2014, December 1, 2015, and December 1, 2016, in the following principal amounts together with interest accrued thereon to the date fixed for redemption, without premium:

Payment Date (December 1)	Mandatory Sinking Account Payment
2014	$257,000
2015	267,000
2016†	276,000

†Maturity

Section 4.02. Notice of Redemption. Notice of optional redemption shall be mailed by the Trustee, not less than ten (10) days prior to the redemption date, to the Owner. Each notice of redemption shall state the date of such notice, the Notes to be redeemed, the redemption date, the Redemption Price, the place or places of redemption (including the name and appropriate address or addresses of the Trustee). Each such notice shall also state that on said date there will become due and payable on each of said Notes the Redemption Price thereof or of said specified portion of the principal amount thereof in the case of a Note to be redeemed in part only, together with interest accrued thereon to the redemption date, and that from and after such redemption date interest thereon shall cease to accrue, and shall require that such Notes be then surrendered at the address or addresses of the Trustee specified in the redemption notice. Such optional redemption notices may be conditional.

Notice of redemption of Notes shall be given by the Trustee, at the expense of the District, for and on behalf of the District.

Section 4.03. Partial Redemption of Notes. Upon surrender of any Note redeemed in part only, the District shall execute and deliver to the Owner, at the expense of the District, a new Note equal in aggregate principal amount to the unredeemed portion of the Note surrendered.

Section 4.04. Effect of Redemption. Notice of redemption having been duly given as aforesaid, and moneys for payment of the Redemption Price of, together with interest accrued to the redemption date on, the Notes (or portions thereof) so called for redemption being held by the Trustee, on the redemption date designated in such notice, the Notes (or portions thereof) so called for redemption shall become due and payable at the Redemption Price specified in such notice and interest accrued thereon to the redemption date, interest on the Notes so called for redemption shall cease to accrue, said Notes (or portions thereof) shall cease to be entitled to any benefit or security under this Indenture, and the Owner shall have no rights in respect thereof except to receive payment of said Redemption Price and accrued interest.

All Notes redeemed pursuant to the provisions of this Article IV shall be canceled upon surrender thereof and delivered to or upon the Order of the District.

ARTICLE V

AVAILABLE MONEYS

Section 5.01. Debt Service Fund.

(a) On or before the twentieth (20th) day of each month and as long as any of the Notes remain Outstanding, the District shall pay to the Trustee, from Available Moneys, for deposit in the Debt Service Fund, commencing November 20, 2013, one-sixth (1/6) of the aggregate amount of interest becoming due and payable on the next ensuing Interest Payment Date on all Notes then Outstanding, until the balance in said account is equal to said aggregate amount of interest, and, commencing November 20, 2013, one-twelfth (1/12) of the aggregate amount of principal becoming due and payable on the Outstanding Notes, until the balance in said account is equal to said aggregate amount of such principal, all as is required by the Trustee to make the transfers and deposits required by Section 5.02 of this Indenture. Notwithstanding the foregoing, if five Business Days prior to any interest or principal payment date with respect to the Notes, the aggregate amount in the Debt Service Fund is for any reason insufficient or unavailable to make the required payments of principal (or Redemption Price) of or interest on the Notes then becoming due (whether by maturity, redemption or acceleration), the District shall forthwith transfer the amount of any such deficiency to the Trustee. Each transfer by the District to the Trustee hereunder shall be in lawful money of the United States of America and paid to the Trustee at its Principal Corporate Trust Office. All such moneys shall be promptly deposited by the Trustee upon receipt thereof in a special fund designated as the "Debt Service Fund" which the Trustee shall establish, maintain and hold in trust. All moneys deposited with the Trustee shall be held, disbursed, allocated and applied by the Trustee only as provided in this Indenture.

(b) If five days prior to an interest payment date or principal payment date the Trustee has not received moneys sufficient to make the transfers and deposits required in such month by Section 5.02 of this Indenture, the Trustee shall immediately notify the District of such insufficiency by telephone or facsimile delivery and confirm such notification by written notice.

Section 5.02. Allocation of Available Moneys. On or before the twenty-fifth (25th) day of each month preceding an Interest Payment Date or the date upon which principal becomes due and payable on the Outstanding Notes, the Trustee shall transfer from the Debt Service Fund and deposit into the following respective accounts (each of which the Trustee shall establish and maintain within the Debt Service Fund), the following amounts, in the following order of priority, the requirements of each such account (including the making up of any deficiencies in any such account resulting from lack of Available Moneys sufficient to make any earlier required deposit) at the time of deposit to be satisfied before any transfer is made to any account subsequent in priority in an amount equal to the aggregate amount then due:

First: to the Interest Account, the aggregate amount of interest becoming due and payable on the next ensuing Interest Payment Date on all Notes then Outstanding; and

Second: to the Principal Account, the aggregate amount of principal becoming due and payable, whether at maturity or by virtue of mandatory sinking account redemption, on the Outstanding Notes on the next ensuing principal payment date; provided that from the date of delivery of the Notes until the first principal payment date (if less than twelve months), the amount transferred to the Principal Account shall be sufficient to pay the principal becoming due and payable,, whether at maturity or by virtue of mandatory sinking account redemption, on said principal payment date.

Any moneys remaining in the Debt Service Fund after the foregoing transfers shall be transferred to the District.

Section 5.03. Application of Interest Account. All amounts in the Interest Account shall be used and withdrawn by the Trustee solely for the purpose of paying interest on the Notes as it shall become due and payable (including accrued interest on any Notes purchased or redeemed prior to maturity pursuant to this Indenture).

Section 5.04. Application of Principal Account. All amounts in the Principal Account shall be used and withdrawn by the Trustee solely for the purposes of paying the principal of the Notes, including mandatory sinking account payments, when due and payable.

Section 5.05. Application of Redemption Fund. The Trustee shall establish and maintain within the Redemption Fund (which the Trustee shall establish, maintain and hold in trust) a separate Optional Redemption Account. All amounts deposited in the Optional Redemption Account shall be used and withdrawn by the Trustee solely for the purpose of redeeming Notes, in the manner and upon the terms and conditions specified in Article IV, at the next succeeding date of redemption for which notice has not been given and at the redemption prices then applicable to redemptions from the Optional Redemption Account.

Section 5.06. No Investment of Moneys in Funds and Accounts. Any moneys in any of the funds and accounts held by the Trustee and established pursuant to this Indenture shall be held in cash, uninvested.

ARTICLE VI

REPRESENTATIONS AND WARRANTIES OF THE DISTRICT

Section 6.01. Representations and Warranties of the District. The District makes the following representations and warranties to the Trustee that as of the date of the execution of this Indenture:

(a) The District is a local health care district duly organized and existing under the laws of the State, has full legal right, power and authority to enter into this Indenture and to carry out and consummate all transactions contemplated by this Indenture, and by proper corporate action has duly authorized the execution and delivery of this Indenture.

(b) The officers of the District executing this Indenture are duly and properly in office and fully authorized to execute the same.

(c) This Indenture has been duly authorized, executed and delivered by the District, and constitutes the legal, valid and binding agreement of the District with the Trustee for the benefit of the Owner; except, in all cases, as may be limited by bankruptcy, insolvency, moratorium and other similar laws affecting creditors' rights generally and to the application of equitable principles if equitable remedies are sought.

(d) The execution and delivery of this Indenture, the consummation of the transactions herein contemplated and the fulfillment of or compliance with the terms and conditions hereof will not in any material respect conflict with or constitute a violation or breach of or default (with due notice or the passage of time or both) to the knowledge of the District, after reasonable inquiry and investigation, any applicable law or administrative rule or regulation, or any applicable court or administrative decree or order, or any indenture, trust agreement, mortgage, deed of trust, loan agreement, lease, contract or other agreement or instrument to which the District is a party or by which it or its properties are otherwise subject or bound, or result in the creation or imposition of any prohibited lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of the District.

(e) No consent or approval of any trustee, holder of any indebtedness of the District or any other Person, and no consent, permission, authorization, order or license of, or filing or registration with, any governmental authority (other than approvals required to be obtained subsequent to the date hereof with respect to the Project) is necessary in connection with the execution and delivery of this Indenture, the consummation of any transaction herein contemplated, or the fulfillment of or compliance with the terms and conditions hereof, except as have been obtained or made and as are in full force and effect.

(f) There is no action, suit, proceeding, inquiry or investigation, before or by any court or federal, state, municipal or other governmental authority, pending, or to the knowledge of the District, after reasonable inquiry and investigation, threatened against or affecting the District or the assets, properties or operations of the District which, if determined adversely to the District or its interests, could have a material adverse effect upon the consummation of the transactions contemplated by or the fulfillment or compliance with the terms and conditions of or the validity or enforceability of this Indenture or upon the financial condition, assets, properties or operations of the District, and the District is not in default (and no event has occurred and is continuing which with the giving of notice or the passage of time or both would constitute a default) with respect to any order or decree of any court or any order, regulation or express demand of any federal, state, municipal or other governmental authority default might have consequences that would materially and adversely affect the

consummation of the transactions contemplated by this Indenture or the financial condition, assets, properties or operations of the District or its properties. All tax returns (federal, state and local) required to be filed by or on behalf of the District have been filed, and all taxes shown thereon to be due, including interest and penalties, except such, if any, are being actively contested by the District in good faith, have been paid or adequate reserves have been made for the payment thereof, which reserves, if any, are reflected in the financial statements described in subsection (g) of this Section 6.01.

(g) The audited balance sheet of the District at June 30, 2010, and the related statements of unrestricted fund revenues and expenses, changes in fund balances and changes in financial position of the unrestricted fund for the year ended on such date fairly present the financial position of the District at June 30, 2010, and the results of operations for the year ended on such date, with such exceptions as may be disclosed in such certificate, and since June 30, 2010, there has been no material adverse change in the financial condition or results of operations of the District or otherwise, except as disclosed, in writing, to the Owner.

(h) No information, exhibit or report furnished by the District in connection with the execution of this Indenture contains any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

ARTICLE VII

PARTICULAR COVENANTS

Section 7.01. Punctual Payment. The District shall punctually pay or cause to be paid the principal or Redemption Price and interest to become due in respect of all the Notes, in strict conformity with the terms of the Notes and of this Indenture, according to the true intent and meaning thereof, but only out of Available Moneys and other assets pledged for such payment as provided in this Indenture.

Section 7.02. Extension of Payment of Notes. The District shall not directly or indirectly extend or assent to the extension of the maturity of any of the Notes or the time of payment of any or claims for interest by the purchase or funding of such Notes or claims for interest or by any other arrangement and in case the maturity of any of the Notes or the time of payment of any such claims for interest shall be extended, such Notes or claims for interest shall not be entitled, in case of any default hereunder, to the benefits of this Indenture, except subject to the prior payment in full of the principal all of the Notes then Outstanding and of all claims for interest thereon which shall not have been so extended. Nothing in this Section 7.02 shall be deemed to limit the right of the District to issue bonds or notes for the purpose of refunding any Outstanding Notes, and such issuance shall not be deemed to constitute an extension of maturity of Notes.

Section 7.03. Accounting Records, Financial Statements and Reporting Requirements.

(a) The Trustee shall at all times keep, or cause to be kept, proper books of record and account, prepared in accordance with the Trustee's accounting practices for books of record and account relating to similar trust accounts and in accordance with the customary standards of the corporate trust industry for such books of record and account, in which complete and accurate entries shall be made of all transactions relating to the proceeds of Notes and all funds and accounts established pursuant to this Indenture and held by the Trustee. Such books of record and account shall be available for inspection by the District and the Owner, or its agent or representative duly authorized in writing, at reasonable hours and under reasonable circumstances.

(b) The District shall maintain and furnish to the Owner by no later than one hundred twenty (120) days after the end of each fiscal year of the District a copy of the most recent audited financial statements of the District.

(c) The District agrees to fully participate in the Implementation Status Reporting to Tahoe Institute for Rural Health Research (TIRHR), or any replacement agency approved by the Owner, as such reporting requirements may be modified from time to time to better assess progress towards meaningful use.

(d) Not later than thirty (30) days after the end of each fiscal quarter of the District, the District shall provide the following information to the Owner, in such form as shall be prescribed by the Owner, which may be unaudited:

(i) Comparative Balance Sheet and Income Statement
(ii) Liquidity Ratios:
    (A) Days Cash on Hand
    (B) Current Ratio
    (C) Day in Accounts Receivable
(iii) Operating Ratios:
    (A) Operating Margin
    (B) Total Margin
    (C) Long-term Debt to Equity
(iv)Any extraordinary activity during the period reported.

All such ratios shall be calculated in accordance with the financial information provided to the Owner prior to the Closing Date.

(e) The District authorizes and consents to the transfer of information directly from TIRHR to the Owner, as may be reasonably requested by the Owner from time to time. The District shall provide such other information to the Owner as the Owner may reasonably request from time to time.

(f) All reporting required to be made by the District to the Owner shall be sent by electronic or first class mail to:

Steven P. Henry, CFA
Director, Treasury Investment Management
UnitedHealth Group
5995 Plaza Drive,
Mail Code CA112-0267
Cypress, CA 90630
steven_p_henry@uhc.com

Section 7.04. Waiver of Laws. The District shall not at any time insist upon or plead in any manner whatsoever, or claim or take the benefit or advantage of, any stay or extension law now or at any time hereafter in force that may affect the covenants and agreements contained in this Indenture or in the Notes, and all benefit or advantage of any such law or laws is hereby expressly waived by the District to the extent permitted by law.

ARTICLE VIII

EVENTS OF DEFAULT AND REMEDIES OF NOTEOWNERS

Section 8.01. Events of Default. The following events shall be Events of Default:

(a) default in the due and punctual payment of the principal or Redemption Price of any Note when and as the same shall become due and payable, whether at maturity as therein expressed, by proceedings for redemption, by declaration or otherwise;

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

(c) default in the due and punctual payment of the amounts required by Section 5.01 of this Indenture in the amounts and at the times provided therefor;

(d) if any representation or warranty made by the District herein or in any document, instrument or certificate furnished to the Trustee or to the initial purchaser(s) of the Notes in connection with the execution and delivery of the Notes shall at any time prove to have been incorrect in any material respect as of the time made;

(f) if the District shall fail to observe or perform any covenant, condition, agreement or provision in this Indenture on its part to be observed or performed, other than as referred to in subsection (a), (b), (c) or (d) of this Section 8.01, or shall breach any warranty by the District herein contained, for a period of sixty (60) days after written notice, specifying such failure or breach and requesting that it be remedied, has been given to the District by the Trustee; except that, if such failure or breach can be remedied but not within such sixty (60) day period and if the District has taken all action reasonably possible to remedy such failure or breach within such sixty (60) day period, such failure or breach shall not become an Event of Default for so long as the District shall diligently proceed to remedy same in accordance with and subject to any directions or limitations of time established by the Trustee which period shall not be longer than one hundred eighty (180) days from the date of such written notice of such failure or breach;

(g) if a final judgment for the payment of money in excess of one million dollars ($1,000,000) (whether or not covered by insurance) shall be rendered against the District and the same shall remain undischarged for a period of one hundred twenty (120) days during which the execution of such judgment shall not be effectively stayed;

(h) if the District files a petition in voluntary bankruptcy, for the composition of its affairs or for its corporate reorganization under any state or federal bankruptcy or insolvency law, or makes an assignment for the benefit of creditors, or admits in writing to its insolvency or inability to pay debts as they mature, or consents in writing to the appointment of a trustee or receiver for itself or for the whole or any substantial part of the Project;

(i) if a court of competent jurisdiction shall enter an order, judgment or decree declaring the District an insolvent or adjudging it bankrupt, or appointing a trustee or receiver of the District or of the whole or any substantial part of the Project, or approving a petition filed against the District seeking reorganization of the District under any applicable law or statute of the United States of America or any state thereof, and such order, judgment or decree shall not be vacated or set aside or stayed within sixty (60) days from the date of the entry thereof; or

(j) if, under the provisions of any other law for the relief or aid of debtors, any court of competent jurisdiction shall assume custody or control of the District or of the whole or any substantial part of the Project, and such custody or control shall not be terminated within sixty (60) days from the date of assumption of such custody or control.

Section 8.02. Acceleration of Maturities. If an Event of Default shall occur, then, and in each and every such case during the continuance of such Event of Default, the Trustee, at the written direction of the Owner, or the Owner shall be entitled, upon notice in writing to the District, to declare the principal of all of the Notes then Outstanding, and the interest accrued thereon, to be due and payable immediately, and upon any such declaration the same shall become and shall be immediately due and payable, anything in this Indenture or in the Notes contained to the contrary notwithstanding.

Any such declaration, however, is subject to the condition that if, at any time after such declaration and before any judgment or decree for the payment of the moneys due shall have been obtained or entered, the District shall deposit with the Trustee a sum sufficient to pay all the principal or Redemption Price of and installments of interest on the Notes payment of which is overdue, with interest on such overdue principal at the rate borne by the respective Notes, and the reasonable charges and expenses of Trustee, and any and all other defaults known to the Trustee (other than in the payment of principal of and interest on the Notes due and payable solely by reason of such declaration) shall have been made good or cured to the satisfaction of the Trustee or provision deemed by the Trustee to be adequate shall have been made therefor, then, and in every such case, the Owner, by written notice to the District and the Trustee, or the Trustee if such declaration was made by the Trustee, may, on behalf of the Owner, rescind and annul such declaration and its consequences and waive such default; but no such rescission and annulment shall extend to or shall affect any subsequent default, or shall impair or exhaust any right or power consequent thereon.

Section 8.03. Application of Available Moneys and Other Funds After Default. If an Event of Default shall occur and be continuing, all Available Moneys and any other funds then held or thereafter received by the Trustee under any of the provisions of this Indenture (subject to Section 5.01 of this Indenture) shall be applied by the Trustee as follows and in the following order:

(a) To the payment of any expenses necessary in the opinion of the Trustee to protect the interests of the Owner and payment of reasonable fees and expenses of the Trustee (including reasonable fees and disbursements of its counsel and accountants) incurred in and about the performance of its powers and duties under this Indenture;

(b) To the payment of the principal or Redemption Price of and interest then due on the Notes (upon presentation of the Notes to be paid, and stamping thereon of the payment if only partially paid, or surrender thereof if fully paid) subject to the provisions of this Indenture, as follows:

(i) Unless the principal of all of the Notes shall have become or have been declared due and payable,

First: To the payment to the persons entitled thereto of all installments of interest then due in the order of the maturity of such installments, and, if the amount available shall not be sufficient to pay in full any installment or installments maturing on the same date, then to the payment thereof ratably, according to the amounts due thereon, to the persons entitled thereto, without any discrimination or preference; and

Second: To the payment to the persons entitled thereto of the unpaid principal or Redemption Price of any Notes which shall have become due, whether at maturity or by call for redemption, in the order of their due dates, with interest on the overdue principal at the rate borne by the respective Notes, and, if the amount available shall not be sufficient to pay in full all the due on any date, together with such interest, then to the payment thereof ratably, according to the amounts of principal or Redemption Price due on such date to the persons entitled thereto, without any discrimination or preference.

(ii) If the principal of all of the Notes shall have become or have been declared due and payable, to the payment of the principal and interest then due and unpaid upon the Notes, with interest on the overdue principal at the rate borne by the respective Notes, and, if the amount available shall not be sufficient to pay in full the whole amount so due and unpaid, then to the payment thereof ratably, without preference or priority of principal over interest, or of interest over principal, or of any installment of interest over any other installment of interest, or of any Note over any other Note, according to the amounts due respectively for principal and interest, to the persons entitled thereto without any discrimination or preference.

Section 8.04. Trustee to Represent Owner. The Trustee is hereby irrevocably appointed (and the successive respective Owner, by taking and holding the same, shall be conclusively deemed to have so appointed the Trustee) as trustee and true and lawful attorney-in-fact of the Owner for the purpose of exercising and prosecuting on their behalf such rights and remedies as may be available to the Owner under the provisions of the Notes, this Indenture, the Law, and applicable provisions of any other law. Upon the occurrence and continuance of an Event of Default or other occasion giving rise to a right in the Trustee to represent the Owner, the Trustee, upon the written request of the Owner, and upon being indemnified to its satisfaction therefor, shall, proceed to protect or enforce its rights or the rights of the Owner by such appropriate action, suit, mandamus or other proceedings as it shall deem most effectual to protect and enforce any such right, at law or in equity, either for the specific performance of any covenant or agreement contained herein, or in aid of the execution of any power herein granted, or for the enforcement of any other appropriate legal or equitable right or remedy vested in the Trustee or in the Owner under this Indenture, the Law or any other law; and upon instituting such proceeding, the Trustee shall be entitled, as a matter of right, to the appointment of a receiver of the Available Moneys and other assets pledged under this Indenture, pending such proceedings. All rights of action under this Indenture or the Notes or otherwise may be prosecuted and enforced by the Trustee without the possession of any of the Notes or the production thereof in any proceeding relating there to, and any such suit, action or proceeding instituted by the Trustee shall be brought in the name of the Trustee for the benefit and protection of the Owner, subject to the provisions of this Indenture. Nothing herein shall be deemed to authorize the Trustee to authorize or consent to or accept or adopt on behalf of the Owner any plan of reorganization, arrangement, adjustment, or composition affecting the Notes or the rights of the Owner thereof, or to authorize the Trustee to vote in respect of the claim of the Owner in any such proceeding without the approval of the Owner.

Section 8.05. Owner's Direction of Proceedings. Anything in this Indenture to the contrary notwithstanding, the Owner shall have the right, by an instrument or concurrent instruments in writing executed and delivered to the Trustee, to direct the method of conducting all remedial proceedings taken by the Trustee hereunder, provided that such direction shall not (a) be otherwise than in accordance with law and the provisions of this Indenture or (b) subject the Trustee to personal liability.

Section 8.06. Limitation on Owner's Right to Sue. The Owner shall have no right to institute any suit, action or proceeding at law or in equity, for the protection or enforcement of

any right or remedy under this Indenture, the Law or any other applicable law with respect to such Note, unless (a) the Owner shall have given to the Trustee written notice of the occurrence of an Event of Default; (b) the Owner shall have made written request upon the Trustee to exercise the powers hereinbefore granted or to institute such suit, action or proceeding in its own name; (c) the Owner shall have tendered to the Trustee reasonable indemnity against the costs, expenses and liabilities to be incurred in compliance with such request; and (d) the Trustee shall have refused or omitted to comply with such request for a period of sixty (60) days after such written request shall have been received by, and said tender of indemnity shall have been made to, the Trustee.

Section 8.07. Absolute Obligation of District. Nothing in Section 8.06 of this Indenture or in any other provision of this Indenture, or in the Notes, contained shall affect or impair the obligation of the District, which is absolute and unconditional to pay the principal or Redemption Price of and interest on the Notes to the Owner at their respective dates of maturity, or upon call for redemption, as herein provided, but only out of the Available Moneys and other assets herein pledged therefor, or affect or impair the right of the Owner, which is also absolute and unconditional, to enforce such payment by virtue of the contract embodied in the Notes.

Section 8.08. Termination of Proceedings. In case any proceedings taken by the Trustee or the Owner on account of any Event of Default shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Trustee or the Owner, then in every such case the District, the Trustee and the Owner, subject to any determination in such proceedings, shall be restored to their former positions and rights hereunder, severally and respectively, and all rights, remedies, powers and duties of the District, the Trustee and the Owner shall continue as though no such proceedings had been taken.

Section 8.09. Remedies Not Exclusive. No remedy herein conferred upon or reserved to the Trustee or to the Owner is intended to be exclusive of any other remedy or remedies, and each and every such remedy, to the extent permitted by law, shall be cumulative and in addition to any other remedy given hereunder or now or hereafter existing at law or in equity or otherwise.

Section 8.10. No Waiver of Default. No delay or omission of the Trustee or of the Owner to exercise any right or power arising upon the occurrence of any default shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein; and every power and remedy given by this Indenture to the Trustee or to the Owner may be exercised from time to time and as often as may be deemed expedient.

Section 8.11 Exercise of Remedies. Upon the occurrence of an Event of Default hereunder, the Trustee, at the written direction of the Owner and upon being indemnified to its satisfaction, or the Owner, may, either at law or in equity, by suit, action or other proceedings, protect and enforce the rights of the Owner hereunder, or enforce or compel the performance of any and all covenants and duties of the District hereunder.

ARTICLE IX

THE TRUSTEE

Section 9.01. Duties, Immunities and Liabilities of Trustee.

(a) The Trustee shall, prior to an Event of Default, and after the curing of all Events of Default which may have occurred, perform such duties and only such duties as are specifically set forth in this Indenture. The Trustee shall, during the existence of any Event of Default (which has not been cured), exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in the conduct of his or her own affairs.

(b) The District may remove the Trustee at any time unless an Event of Default shall have occurred and then be continuing, and shall remove the Trustee if at any time requested to do so by an instrument or concurrent instruments in writing signed by the Owner (or its attorneys duly authorized in writing) or if at any time the Trustee shall cease to be eligible in accordance with subsection (e) of this Section 9.01, or shall become incapable of acting, or shall be adjudged a bankrupt or insolvent or a receiver of the Trustee or its property shall be appointed, or any public officer shall take control or charge of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation, in each case by giving written notice of such removal to the Trustee, and thereupon shall a appoint a successor Trustee by an instrument in writing.

(c) The Trustee may at any time resign by giving written notice of such resignation to the District and by giving the Owner notice of such resignation by mail at the addresses shown on the registration books maintained by the Trustee. Upon receiving such notice of resignation, the District shall promptly appoint a successor Trustee by an instrument in writing.

(d) Any removal or resignation of the Trustee and appointment of a successor Trustee shall become effective upon acceptance of appointment by the successor Trustee. If no successor Trustee shall have been appointed and have accepted appointment within forty-five (45) days of giving notice of removal or notice of resignation as aforesaid, the retiring Trustee or the Owner may petition any court of competent jurisdiction for the appointment of a successor Trustee, and such Court may thereupon, after such notice (if any) as it may deem proper, (a) order the District to appoint a successor Trustee, or (b) appoint such successor Trustee. Any successor Trustee appointed under this Indenture, shall signify its acceptance of such appointment by executing and delivering to the District and to its predecessor Trustee a written acceptance thereof, and thereupon such successor Trustee, without any further act, deed or conveyance, shall become vested with all the moneys, estates, properties, rights, powers, trusts, duties and obligations of such predecessor Trustee, with like effect as if originally named Trustee herein; but, nevertheless at the Request of the District or the request of the successor Trustee, such predecessor Trustee shall execute and deliver any and all instruments of conveyance or further assurance and do such other things as may reasonably be required for more fully and certainly vesting in and confirming to such successor Trustee all the right, title and interest of such predecessor Trustee in and to any property held by it under this Indenture and shall pay over, transfer, assign and deliver to the successor Trustee any money or other property subject to the trusts and conditions herein set forth. Upon request of the successor Trustee, the District shall execute and deliver any and all instruments as may be reasonably required for more fully and certainly vesting in and confirming to such successor Trustee all such moneys, estates, properties, rights, powers, trusts, duties and obligations. Upon acceptance of appointment by a successor Trustee as provided in this subsection, the District shall give notice of the succession of such Trustee to the trusts hereunder by mail to

the Owner. If the District fails to mail such notice within fifteen (15) days after acceptance of appointment by the successor Trustee, the successor Trustee shall cause such notice to be mailed at the expense of the District.

(e) Any Trustee appointed under the provisions of this Section 9.01 in succession to the Trustee shall be a trust company or bank having the powers of a trust company having a corporate trust office in the State, having a combined capital and surplus (or the parent holding company of which has a combined capital and surplus) of at least fifty million dollars ($50,000,000), and subject to supervision or examination by federal or state authority. If such bank or trust company publishes a report of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority above referred to, then for the purpose of this subsection the combined capital and surplus of such bank or trust (or holding) company shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. In case at any time the Trustee shall cease to be eligible in accordance with the provisions of this subsection (e), the Trustee shall resign immediately in the manner and with the effect specified in this Section 9.01.

Section 9.02. Merger or Consolidation. Any company into which the Trustee may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which the Trustee may sell or transfer all or substantially all of its corporate trust business, provided such company shall be eligible under subsection (e) of Section 9.01 of this Indenture, shall be the successor to such Trustee without the execution or filing of any paper or any further act, anything herein to the contrary notwithstanding.

Section 9.03. Liability of Trustee.

(a) The recitals of facts herein and in the Notes contained shall be taken as statements of the District, and the Trustee assumes no responsibility for the correctness of the same, and makes no representations as to the validity or sufficiency of this Indenture or of the Notes, or shall incur any responsibility in respect thereof, other than in connection with the duties or obligations herein or in the Notes assigned to or imposed upon it. The Trustee shall not be liable in connection with the performance of its duties hereunder, except for its own negligence or willful default. The Trustee may become the owner of Notes with the same rights it would have if it were not the Trustee, and, to the extent permitted by law, may act as depository for and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of the Owner, whether or not such committee shall represent the Owner. The Trustee shall not be deemed to have knowledge of any Event of Default unless and until an officer at the Principal Corporate Trust Office responsible for the administration of its duties hereunder shall have actual knowledge thereof or the Trustee shall have received written notice thereof at the Principal Corporate Trust Office. The Trustee shall not be bound to inquire as to the performance or observance of any of the terms, conditions, covenants or agreements herein or of any of the documents executed in connection with the Notes, or as to the existence of any default or Event of Default thereunder. The Trustee shall not be responsible for the validity or effectiveness of any collateral given or held by it. As used herein, the term "actual knowledge" means the actual fact or statement of knowing, without any duty to make any investigation with regard thereto.

(b) The Trustee shall not be considered in breach of or in default in its obligations hereunder or progress in respect thereto in the event of enforced delay ("unavoidable delay") in the performance of such obligations due to unforeseeable causes beyond its control and without its fault or negligence, including, but not limited to, acts of god or of the public enemy or terrorists, acts of a government, acts of the other party, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, earthquakes, explosion, mob violence, riot, inability to

procure or general sabotage or rationing of labor, equipment, facilities, sources of energy, material or supplies in the open market, litigation or arbitration involving a party or others relating to zoning or other governmental action or inaction pertaining to the Project, malicious mischief, condemnation, and unusually severe weather or delays of suppliers or subcontractors due to such causes or any similar event and/or occurrences beyond the control of the Trustee.

(c) No provision of this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of its rights or powers. The Trustee shall be under no obligation to exercise any of the rights or powers vested in it hereby at the request, order or direction of the Owner unless the Owner shall have offered to the Trustee security or indemnity satisfactory to it against the costs, expenses and liabilities that may be incurred therein or thereby.

(d) The Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Owner, relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee hereunder.

(e) The Trustee shall not be accountable for the use or application by the District of any of the Notes or the proceeds thereof or for the use or application of any money paid over by the Trustee in accordance with the provisions of this Indenture or for the use and application of money received by any paying agent. The permissive right of the Trustee to do things enumerated in this Indenture shall not be construed as a duty and the Trustee shall not be answerable for other than its negligence or willful default. The Trustee shall not be required to give any bond or surety in respect of the execution of the said trusts and powers or otherwise in respect of the premises. The Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents, attorneys, custodians or nominees appointed with due care, and shall not be responsible for any willful misconduct or negligence on the part of any agent, attorney, custodian or nominee so appointed. The Trustee shall have no responsibility or liability with respect to any information, statements or recitals in any offering memorandum or other disclosure material prepared or distributed with respect to the issuance of these Notes.

(f) The Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, entitlement order, approval or other paper or document.

Section 9.04. Right of Trustee to Rely on Documents. The Trustee shall be protected in acting upon any notice, resolution, request, consent, requisition, order, certificate, report, opinion, note, statement, facsimile transmission, electronic mail or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties. Before the Trustee acts or refrains from acting, the Trustee may consult with counsel, who may be counsel of or to the District, with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accord therewith.

Whenever in the administration of the trusts imposed upon it by this Indenture the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proved and established by a Certificate of the District, and such Certificate shall be full warrant to the Trustee for any action taken or suffered in good faith under the provisions of this Indenture in reliance upon

such Certificate, but in its discretion the Trustee may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may seem reasonable.

The Trustee agrees to accept and act upon instructions or directions pursuant to this Indenture sent by unsecured e-mail, facsimile transmission or other similar unsecured electronic methods, provided, however, that, the Trustee shall have received an incumbency certificate listing persons designated to give such instructions or directions and containing specimen signatures of such designated persons, which such incumbency certificate shall be amended and replaced whenever a person is to be added or deleted from the listing. If the District elects to give the Trustee e-mail or facsimile instructions (or instructions by a similar electronic method) and the Trustee in its discretion elects to act upon such instructions, the Trustee's understanding of such instructions shall be deemed controlling. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction. The District agrees to assume all risks arising out of the use of such electronic methods to submit instructions and directions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized instructions, and the risk of interception and misuse by third parties.

Section 9.05. Preservation and Inspection of Documents. All documents received by the Trustee under the provisions of this Indenture shall be retained in its possession and shall be subject at all reasonable times to the inspection of the District and the Owner, and their agents and representatives duly authorize in writing, at reasonable hours and under reasonable conditions.

Section 9.06. Compensation of Trustee. The District covenants to pay to the Trustee from time to time, but only out of Available Moneys, and the Trustee shall be entitled to, reasonable compensation for all services rendered by it in the exercise and performance of any of the powers and duties hereunder of the Trustee, and the District will pay or reimburse the Trustee upon its request, but only out of Available Moneys, for all expenses, disbursements and advances incurred or made by the Trustee in accordance with any of the provisions of this Indenture (including the reasonable compensation and the expenses and disbursements of its counsel and of all persons but regularly in its employ) except any such expense, disbursement or advance as may arise from its negligence or willful default.

Upon an Event of Default, and only upon an Event of Default, the Trustee shall have a first lien with right of payment prior to payment on account of principal of and premium, if any, and interest on any Note, upon the trust estate for the foregoing fees, charges and expenses incurred by it. When the Trustee incurs expenses or renders services after the occurrence of an Event of Default, such expenses and the compensation for such services are intended to constitute expenses of administration under any federal or state bankruptcy, insolvency, arrangement, moratorium, reorganization or other debtor relief law.

Section 9.07. Indemnification. The District covenants to indemnify the Trustee and its officers, directors, agents and employees and to hold it and them harmless to the extent permitted by law against any loss, liability, expenses or advance, including fees and expenses of counsel and other experts, incurred or made without negligence or willful default on the part of the Trustee, in the exercise and performance of any of the powers and duties hereunder by the Trustee, including the costs and expenses of defending itself against or investigating any claim of liability arising under this Indenture. The provisions of this Section 9.07 shall survive the removal or resignation of the Trustee or the termination of this Indenture.

ARTICLE X

MODIFICATION OR AMENDMENT OF THIS INDENTURE

Section 10.01. Amendments Permitted.

(a) This Indenture and the rights and obligations of the District, the Owner and the Trustee may be modified or amended from time to time and at any time by a Supplemental Indenture, which the District and the Trustee may enter into with the written consent of the Owner filed with the Trustee.

(b) The Trustee may in its discretion, but shall not be obligated to, enter into any such Supplemental Indenture which materially affects the Trustee's own rights, duties or immunities under this Indenture or otherwise.

(c) Prior to entering into any Supplemental Indenture, the Trustee may require the District to file with it an opinion of counsel of recognized standing in the field of law relating to municipal notes, to the effect that the execution and delivery of such Supplemental Indenture by the Trustee and the District is in compliance with the terms and conditions hereof.

Section 10.02. Effect of Supplemental Indenture. From and after the time any Supplemental Indenture becomes effective pursuant to this Article X, this Indenture shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations under this Indenture of the District, the Trustee and the Owner shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modification and amendment, ant all the terms and conditions of any such Supplemental Indenture shall be deemed to be part of the terms and conditions of this Indenture for any and all purposes.

Section 10.03. Endorsement of Notes; Preparation of New Notes. Notes delivered after any Supplemental Indenture becomes effective pursuant to this Article X may, and if the Trustee so determines shall, bear a notation by endorsement or otherwise in form approved by the District and the Trustee as to any modification or amendment provided for in such Supplemental Indenture, and, in that case, upon demand of the Owner at the time of such execution and presentation of his Note for the purpose at the Principal Corporate Trust Office or at such additional offices as the Trustee may select and designate for that purpose, a suitable notation shall be made on such Note. If the Supplemental Indenture shall so provide, new Notes so modified as to conform, in the opinion of the District and the Trustee, to any modification or amendment contain in such Supplemental Indenture, shall be prepared and executed by the District, and upon demand of the Owner shall be exchanged at the Principal Corporate Trust Office, without cost to the Owner, upon surrender for cancellation of such Notes.

Section 10.04. Amendment of Particular Notes. The provisions of this Article X shall not prevent the Owner from accepting any amendment as to the particular Notes held by him, provided that due notation thereof is made on such Notes.

ARTICLE XI

DISCHARGE OF INDENTURE

Section 11.01. Discharge of Indenture. Notes may be paid by the District in any of the following ways; provided that the District also pays or causes to be paid any other sums payable hereunder by the District:

(a) by paying or causing to be paid the principal or Redemption Price of and interest on Notes Outstanding, as and when the same become due and payable; or

(b) by delivering to the Trustee, for cancellation by it, Notes Outstanding.

If the District shall pay all Notes Outstanding and shall also pay or cause to be paid all other sums payable hereunder by the District, then and in that case, and notwithstanding that any Notes shall not have been surrendered for payment, this Indenture and all covenants, agreements and other obligations of the District under this Indenture shall cease, terminate, become void and be completely discharged and satisfied, except for Section 9.07 hereof, which shall survive. In such event, upon Request of the District, the Trustee shall cause an accounting for such period or periods as may be requested by the District to be prepared and filed with the District and shall execute and deliver to the District all such instruments as may be necessary or desirable to evidence such discharge and satisfaction, and the Trustee shall pay over, transfer, assign or deliver to the District all moneys or securities or other property held by it pursuant to this Indenture which are not required for the payment or redemption of Notes not theretofore surrendered for such payment or redemption.

ARTICLE XII

MISCELLANEOUS

Section 12.01. Successor Is Deemed Included in All References to Predecessor. Whenever in this Indenture either the District or the Trustee is named or referred to, such reference shall be deemed to include the successors or assigns thereof, and all the covenants and agreements in this Indenture contained by or on behalf of the District or the Trustee shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

Section 12.02. Limitation of Rights to Parties and Owner. Nothing in this Indenture or in the Notes expressed or implied is intended or shall be construed to give to any person other than the District, the Trustee and the Owner, any legal or equitable right, remedy or claim under or in respect of this Indenture or any covenant, condition or provision therein or herein contained; and all such covenants, conditions and provisions are and shall be held to be for the sole and exclusive benefit of the District, the Trustee and the Owner.

Section 12.03. Waiver of Notice. Whenever in this Indenture the giving of notice by mail or otherwise is required, the giving of such notice may be waived in writing by the person entitled to receive such notice and in any such case the giving or receipt of such notice shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

Section 12.04. Destruction of Notes. Whenever in this Indenture provision is made for the cancellation by the Trustee and the delivery to the District of any Notes, the Trustee may, in lieu of such cancellation and delivery, destroy such Notes, and deliver, upon the District's request, a certificate of such destruction to the District.

Section 12.05. Severability of Invalid Provisions. If any one or more of the provisions contained in this Indenture or in the Note shall for any reason be held to be invalid, illegal or unenforceable in any respect, then such provision or provisions shall be deemed severable from the remaining provisions contained in this Indenture and such invalidity, illegality or unenforceability shall not affect any other provisions of this Indenture, and this Indenture shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein. The District hereby declares that it would have entered into this Indenture and each and every other Section, paragraph, sentence, clause or phrase hereof and authorized the issuance of the Notes pursuant thereto irrespective of the fact that any one or more Sections, paragraphs, sentences, clauses or phrases of this Indenture may be held illegal, invalid or unenforceable.

Section 12.06. Notice to District and Trustee. Any notice to or demand upon the Trustee may be served or presented, and such demand may be made, at the Principal Corporate Trust Office located at 700 South Flower Street, Suite 500, Los Angeles, CA 90017, Attention: Corporate Trust. Any notice to or demand upon the District shall be deemed to have been sufficiently given or served for all purposes by being deposited, postage prepaid, in a post office letter box, addressed, as the case may be, to the District at Surprise Valley Health Care District, 741 North Main Street, Cedarville, CA 96104, Attention: Administrator (or such other address as may have been filed in writing by the District with the Trustee).

Section 12.07. Evidence of Rights of Owner. Any request, consent or other instrument required or permitted by this Indenture to be signed and executed by the Owner shall be signed or executed by the Owner in person or by an agent or agents duly appointed in writing. Proof of the execution of any such request, consent or other instrument or of a writing appointing

any such agent, or of the holding by any person of Notes transferable by delivery, shall be sufficient for any purpose of this Indenture and shall be conclusive in favor of the Trustee and of the District if made in the manner provided in this Section 12.07.

The fact and date of the execution by any person of any such request, consent or other instrument or writing may be proved by the certificate of any notary public or other officer of any jurisdiction, authorized by the laws thereof to take acknowledgments of deeds, certifying that the person signing such request, consent or other instrument acknowledged to him the execution thereof, or by an affidavit of a witness of such execution duly sworn to before such notary public or other officer.

The ownership of Notes shall be proved by the note registration books held by the Trustee.

Section 12.08. Disqualified Notes. In determining whether the Owner of the requisite aggregate principal amount of Notes have concurred in any demand, request, direction, consent or waiver under this Indenture, Notes which are owned or held by or for the account of the District or the District, or by any other obligor on the Notes, or by any person directly or indirectly controlling or controlled by, or under direct or indirect common control with the District or the District or any other obligor on the Notes, shall be disregarded and deemed not to be Outstanding for the purpose of any such determination; except that in determining whether the Trustee shall be protected in relying upon any such demand, request, direction, consent or waiver of an Owner, only Notes which the Trustee actually knows to be so owned or held by the District, directly or indirectly, shall be disregarded unless all Notes are so owned or held, in which case such Notes shall be considered Outstanding for the purpose of such determination. Notes so owned which have been pledged in good faith may be regarded as Outstanding for the purposes of this Section 12.08 if the pledgee shall establish to the satisfaction of the Trustee the pledgee's right to vote such Notes and that the pledgee is not a person directly or indirectly controlling or controlled by, or under direct or indirect common control with, the District or the District or any other obligor on the Notes. In case of a dispute as to such right, any decision by the Trustee taken upon the advice of counsel shall be full protection to the Trustee.

Section 12.09. Money Held for Particular Notes. The money held by the Trustee for the payment of the interest, principal or Redemption Price due on any date with respect to particular Notes (or portions of Notes in the case of registered Notes redeemed in part only) shall, on and after such date and pending such payment, be set aside on its books and held in trust by it for the Owner, but without any liability for the interest thereon.

Section 12.10. Funds and Accounts. Any fund required by this Indenture to be established and maintained by the Trustee may be established and maintained in the accounting records of the Trustee, either as a fund or an account, and may, for the purposes of such records, any audits thereof and any reports or statements with respect thereto, be treated either as a fund or as an account; but all such records with respect to all such funds shall at all times be maintained in accordance with customary standards of the corporate trust industry, to the extent practicable, and with due regard for the protection of the security of the Notes and the rights of the Owner.

Section 12.11. Article and Section Headings and References. The headings or titles of the several Articles and Sections hereof, and any table of contents appended to copies hereof, shall be solely for convenience of reference and shall not affect the meaning, construction or effect of this Indenture.

All references herein to "Articles," "Sections" and other subdivisions are to the corresponding Articles, Sections or subdivisions of a Indenture; the words "herein," "hereof," "hereby," "hereunder" and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or subdivision hereof; and words of the masculine gender shall mean and include words of the feminine and neuter genders.

Section 12.12. Waiver of Personal Liability. No Board member, officer, agent or employee of the District shall be individually or personally liable for the payment of principal or Redemption Price of or interest on the Notes or be subject to any personal liability or accountability by reason of the issuance thereof; but nothing herein contained shall relieve any such Board member, officer, agent or employee from the performance of any official duty provided by law or by this Indenture.

Section 12.13. Execution in Several Counterparts. This Indenture may be executed in any number of counterparts and each of counterparts shall for all purposes be deemed to be an original; and all such counterparts or as many of them as the District and the Trustee shall preserve undestroyed, shall together constitute but one and the same instrument.

Section 12.14. Governing Law. This Indenture shall be construed in accordance with and governed by the Constitution and laws of the State.

IN WITNESS WHEREOF, SURPRISE VALLEY HEALTH CARE DISTRICT has caused this Indenture to be signed in its name by the Administrator and THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., in token of its acceptance of the trusts created hereunder, has caused this Indenture to be signed in its name by one of its authorized officers, all as of the day and year first above written.

SURPRISE VALLEY HEALTH CARE DISTRICT

By _____
Wanda L. Grove,
Administrator

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

By _____
Agnes Obando,
Authorized Signatory

IN WITNESS WHEREOF, SURPRISE VALLEY HEALTH CARE DISTRICT has caused this Indenture to be signed in its name by the Administrator and THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., in token of its acceptance of the trusts created hereunder, has caused this Indenture to be signed in its name by one of its authorized officers, all as of the day and year first above written.

SURPRISE VALLEY HEALTH CARE DISTRICT

By _____
Wanda L. Grove,
Administrator

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

By _____
Agnes Obando,
Authorized Signatory

EXHIBIT A

FORM OF NOTE

United States of America
State of California
Modoc County

SURPRISE VALLEY HEALTH CARE DISTRICT
2011 HIT/EHR Taxable Promissory Note

INTEREST RATE:	MATURITY DATE:	DATED DATE:
3.75%	December 1, 2016	December 23, 2011

REGISTERED OWNER: UHC OF CALIFORNIA

PRINCIPAL SUM: EIGHT HUNDRED THOUSAND DOLLARS

SURPRISE VALLEY HEALTH CARE DISTRICT, a local health care district organized and existing under and pursuant to The Local Health Care District Law of the State of California (herein called the "District"), for value received, hereby promises to pay (but only out of the Available Moneys and other assets pledged therefor as hereinafter mentioned) to the Registered Owner stated above or registered assigns, on the Maturity Date stated above (subject to any right of prior redemption hereinafter mentioned), the Principal Sum stated above in lawful money of the United States of America, and to pay interest thereon in like lawful money from the date hereof until payment of such principal sum shall be discharged as provided in the Indenture hereinafter mentioned, at the Interest Rate per annum stated above, payable semiannually on each June 1 and December 1 (each, an "Interest Payment Date"), commencing June 1, 2013. The principal (or redemption price) hereof is payable at the principal corporate trust office of The Bank of New York Mellon Trust Company, N.A. (together with any successor trustee, herein called the "Trustee"), in Los Angeles, California (or at the principal corporate trust office of any successor trustee). Interest hereon is payable by wire transfer. Interest shall be calculated on the basis of a 360-day year consisting of twelve 30-day months.

This Note is one of a duly authorized issue of notes of the District designated as "Surprise Valley Health Care District 2011 HIT/EHR Taxable Promissory Notes" (herein called the "Notes"), limited in aggregate principal amount to eight hundred thousand dollars ($800,000), and issued pursuant to the provisions of The Local Health Care District Law of the State of California (constituting Division 23 of the California Health and Safety Code) together, herein called the "Law"), and pursuant to an indenture, dated as of December 1, 2011, between the District and the Trustee (the "Indenture"). The Notes are issued for the purpose of financing certain health information technology/electronic health records (HIT/EHR) equipment and software for the District. All capitalized terms not otherwise defined shall have the meanings set forth in the Indenture.

Reference is hereby made to the Indenture (a copy of which is on file at said office of the Trustee) and all indentures supplemental thereto and to the Law for a description of the rights thereunder of the registered owners of the Notes, the nature and extent of the security, the rights, duties and immunities of the Trustee, and the rights and obligations of the District thereunder. The Owner of this Note, by acceptance hereof, assents and agrees to all the provisions of the Indenture.

The Notes and the interest thereon are payable from Available Moneys (as that term is defined in the Indenture). Neither the faith and credit nor the tax revenues received by the District are pledged to the payment of the principal of or interest on the Notes. The Notes are not a debt of the State of California or any political subdivision thereof, and neither said State nor any political subdivision thereof (except the District to the extent provided in the Indenture) is liable for the payment thereof.

The Notes are subject to redemption at the option of the District as a whole or in part on any date from moneys deposited in the Special Redemption Account pursuant to the Indenture, at the principal amount thereof and interest accrued thereon to the date fixed for redemption, without premium. In order to create an incentive for the District to prepay the Notes, the District shall receive an incentive rebate of principal from the Owner for prepayment in whole prior to the maturity date of the Note, as follows:

Prepayment Date	Rebate Amount
On or prior to 36 month anniversary of the Closing Date	10% of original principal
On or prior to 42 month anniversary of Closing Date	7.5% of original principal
On or prior to 48 month anniversary of Closing Date	5% of original principal

The Notes are subject to redemption prior to their stated maturity, in part, by lot, from mandatory sinking account payments on each December 1, 2014, December 1, 2015, and December 1, 2016, in the following principal amounts together with interest accrued thereon to the date fixed for redemption, without premium:

Payment Date (December 1)	Mandatory Sinking Account Payment
2014	$257,000
2015	267,000
2016†	276,000

†Maturity

If this Note is called for redemption and payment is duly provided therefor as specified in the Indenture, interest shall cease to accrue hereon from and after the date fixed for redemption.

Any notice of optional redemption of Notes shall state that such redemption shall be conditional upon the receipt by the Trustee by 11:00 A.M. (California time) on the Business Day preceding the date fixed for redemption of moneys sufficient to pay in full the redemption price of such Notes (unless the Trustee shall be in receipt of such moneys at the time such notice is given). If such moneys shall not be so received, such notice of redemption shall be of no force and effect, the District shall not redeem such Notes and the Trustee shall give notice, in the manner in which the notice of redemption was given, that such moneys were not so received and that such redemption did not occur. In such event, the Trustee shall promptly return Notes which it has received to the registered owners thereof.

If an Event of Default (as that term is defined in the Indenture) shall occur, the principal of all Notes may be declared due and payable upon the conditions, in the manner and with the effect provided in the Indenture. The Indenture provides that in certain events such declaration and its consequences may be rescinded by the registered owners of not less than a majority in aggregate principal amount of the Notes then outstanding or by the Trustee.

This Note is not transferable or exchangeable.

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

The Indenture and the rights and obligations of the District the Owner and the Trustee may be modified or amended from time to time and at any time in the manner, to the extent and upon the terms provided in the Indenture; provided that no such modification or amendment shall (i) extend the fixed maturity of any Note, or reduce the amount of principal hereof, or extend the time of payment, or reduce the rate of interest hereon, or extend the time of payment of interest hereon, or reduce any premium payable upon the redemption hereof, without the consent of the registered owner of each Note so affected, or (ii) reduce the percentage of Notes the consent of the registered owners of which is required to effect any such modification or amendment, or permit the creation of any lien on the Available Moneys and other assets pledged as security for the Notes prior to or on a parity with the lien created by the Indenture, or deprive the registered owners of the Notes of the lien created by the Indenture on such Available Moneys and other assets (except as expressly provided in the Indenture), without the consent of the registered owners of all Notes then outstanding, all as more fully set forth in the Indenture.

IT IS HEREBY CERTIFIED AND RECITED that any and all conditions, things and acts required to exist, to have happened and to have been performed precedent to and in the issuance of this Note do exist, have happened and have been performed in due time, form and manner as required by the Law, and by the Constitution and laws of the State of California, and that the amount of this Note, together with all other indebtedness of the District, does not exceed any limit prescribed by the Constitution and laws of the State of California, and is not in excess of the amount of Notes permitted to be issued under the Indenture.

IN WITNESS WHEREOF, Surprise Valley Health Care District has caused this Note to be executed in its name and on its behalf by the signature of the Administrator and attested by the signature of the Secretary of its Board of Directors, all as of the Dated Date stated above.

SURPRISE VALLEY HEALTH CARE DISTRICT

By _____
Administrator

Attest:

_____
Secretary of the Board of Directors

$800,000
SURPRISE VALLEY HEALTH CARE DISTRICT
2011 HIT/EHR Taxable Promissory Notes

CERTIFICATE OF SECRETARY

The undersigned hereby states and certifies:

(i) that the undersigned is the duly appointed, qualified and acting Secretary of the Board of Directors of Surprise Valley Health Care District, a healthcare district organized and existing under the Constitution and laws of the State of California (the "District"), and as such, is familiar with the facts herein certified and is authorized and qualified to certify the same on behalf of the District; and

(ii) that attached hereto is a true, correct and complete copy of Resolution No. 11-9, entitled "RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF AN INDENTURE AND A NOTE PURCHASE AGREEMENT AND AUTHORIZING CERTAIN OTHER ACTIONS IN CONNECTION WITH THE ISSUANCE, SALE AND DELIVERY OF THE DISTRICT'S 2011 HIT/EHR TAXABLE PROMISSORY NOTES," adopted by the Board of Directors of the District on December 21, 2011 (the "Resolution"), which Resolution has not been amended, modified, supplemented, rescinded or repealed and is in full force and effect as of the date hereof.

Dated: December 23, 2011

SURPRISE VALLEY HEALTH CARE DISTRICT

By Bunne Hartmann
Bunne Hartmann,
Secretary

SURPRISE VALLEY HEALTH CARE DISTRICT

RESOLUTION NO. 11-9

RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF AN INDENTURE AND A NOTE PURCHASE AGREEMENT AND AUTHORIZING CERTAIN OTHER ACTIONS IN CONNECTION WITH THE ISSUANCE, SALE AND DELIVERY OF THE DISTRICT'S 2011 HIT/EHR TAXABLE PROMISSORY NOTES

RESOLVED, by the Board of Directors (the "Board") of the Surprise Valley Health Care District (the "District"), as follows:

WHEREAS, the District desires to finance certain health information technology/electronic health records (HIT/EHR) equipment and software (the "Project");

WHEREAS, the District finds and determines that, in order to finance the Project, it is in the best interests of the District at this time to issue its Surprise Valley Health Care District 2011 HIT/EHR Taxable Promissory Notes (the "Notes");

WHEREAS, the Notes will be payable from "Available Moneys," being all legally available moneys, income, receipts and moneys received by or on behalf of the District, excluding gifts, grants, bequests, donations and contributions to the extent specifically restricted by the donor to a particular purpose inconsistent with their use for the payment of debt service on the Notes and excluding *ad valorem* tax revenue securing general obligation bonds of the District; *provided, however*, that the application of Available Moneys for the payment of debt service on the Notes will be subject to any pledges of such revenues, income, receipts and moneys received by or on behalf of the District heretofore or hereafter made by the District;

WHEREAS, the District finds that the Project has a useful life equal to, or longer than, the term of the Notes; and

WHEREAS, the District has determined to authorize the officers of the District to take all necessary action to accomplish the issuance, sale and delivery of the Notes;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Surprise Valley Health Care District as follows:

Section 1. The Project is hereby authorized and approved by the Board.

Section 2. The issuance of the Notes in the aggregate principal amount of not to exceed $800,000 is hereby authorized and approved.

Section 3. The form of indenture between the District and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee"), as presented to this meeting (the "Indenture"), is hereby approved. The President of the Board of Directors of the District or the Administrator is hereby authorized and directed, for and in the name of the District, to execute and deliver the Indenture in substantially the form presented to this meeting, with such nonsubstantive changes therein as the officer executing the same may approve, such approval to be conclusively evidenced by the execution and delivery of the Indenture. The date, maturity dates, interest rates, interest payment dates, denominations, forms, registration privileges, place or places of payment, terms of redemption and other terms of the Notes shall be as provided in the Indenture, as finally executed.

Section 4. The form of note purchase agreement between the District and UHC of California (the "Purchaser"), relating to the Notes, as presented to this meeting (the "Note Purchase Agreement"), is hereby approved. The President of the Board of Directors of the District or the Administrator is hereby authorized and directed for and in the name of the District, to execute and deliver a Note Purchase Agreement in substantially the form presented to this meeting, with such nonsubstantive changes therein as the officer executing the same may approve, such approval to be conclusively evidenced by the execution and delivery of the Note Purchase Agreement, so long as the term of the Notes does not exceed five years and the interest rate payable on the Notes is not greater than 3.75%.

Section 5. The President of the Board of Directors of the District or the Administrator is hereby authorized and directed, for and in the name of the District, to execute and deliver any other documents as may be deemed necessary or appropriate to implement the Project or to issue the Notes, such approval to be conclusively evidenced by the execution and delivery of such documents.

Section 6. The Notes shall be executed by the manual or facsimile signature of the President of the Board of Directors of the District or the Administrator, and attested by the manual or facsimile signature of the Secretary or Assistant Secretary of the Board of Directors of the District, in the form set forth in and otherwise in accordance with the Indenture.

Section 7. The Notes, when so executed, shall be delivered to the Trustee for authentication by the Trustee. The Trustee is hereby requested and directed to authenticate the Notes by executing the Trustee's Certificate of Authentication appearing thereon, and to deliver the Notes, when duly executed and authenticated, to the purchaser thereof in accordance with written instructions of the District. Said instructions shall provide for the delivery of the Notes to the purchaser thereof upon payment of the purchase price thereof.

Section 8. The Secretary or the Assistant Secretary of the Board of Directors of the District is hereby authorized and directed to attest the signature of the President of the Board of Directors of the District or the Administrator and to affix and attest the seal to the District as may be required in connection with the execution and delivery of the Indenture, the Note

Purchase Agreement, the Notes and any other document as may be deemed necessary or appropriate to implement the Project or to issue the Notes in accordance with this Resolution.

Section 9. The President of the Board of Directors of the District or the Administrator and the other officers of the District are each hereby authorized and directed to do the following with respect to the issuance of the Notes:

a. Take any and all actions and execute, acknowledge, deliver and file any and all agreements, instruments or other documents of any kind required of the District; and

b. Act as an agent to the District for the purposes of issuing the Notes and any additional negotiations, authorizations, approval, executions, consents, notices, deliveries or other acts required to issue such Notes.

Section 10. All actions taken by the President of the Board of Directors of the District or the Administrator and other officers or directors of the District which have been undertaken to date or which will be undertaken with respect to the planning, negotiation, authorization, approval and implementation of the Project are hereby ratified, confirmed and approved in all respects.

Section 11. This resolution shall take effect immediately.

****

PASSED AND ADOPTED this 21st day of Decembedr, 2011, by the following vote:

AYES: 5

NOES: 0

ABSENT: 0

ABSTAINING: 0

By _____
John Erquiaga
President, Board of Directors
Surprise Valley Health Care District

I hereby certify that the foregoing resolution was duly adopted at an adjourned regular meeting of the Board of Directors of the Surprise Valley Health Care District held on the 21st day of December, 2011.

By _____
Bunne Hartmann
Secretary, Board of Directors
Surprise Valley Health Care District

$800,000
SURPRISE VALLEY HEALTH CARE DISTRICT
2011 HIT/EHR Taxable Promissory Notes

NOTE PURCHASE AGREEMENT

December 22, 2011

Surprise Valley Health Care District
741 North Main Street
Cedarville, CA 96104

Ladies and Gentlemen:

The undersigned, UHC of California (the "Purchaser"), offers to enter into this agreement with the Surprise Valley Health Care District (the "District"), which, upon your acceptance hereof, will be binding upon the District and the Purchaser. This offer is made subject to the written acceptance of this Note Purchase Agreement by the delivery of such acceptance to the Purchaser at or prior to 5:00 P.M., Pacific time, on the date hereof.

1. Purchase and Sale of the Notes. Upon the terms and conditions and in reliance upon the representations, warranties and agreements herein set forth, the Purchaser hereby agrees to purchase, and the District hereby agrees to deliver to the Purchaser, all (but not less than all) of $800,000 in aggregate principal amount of the District's 2011 HIT/EHR Taxable Promissory Notes (the "Notes").

The purchase price of the Notes shall be $800,000 (being equal to the aggregate principal amount of the Notes).

The District acknowledges and agrees that (i) the purchase and sale of the Notes pursuant to this Note Purchase Agreement is an arm's-length commercial transaction between the District and the Purchaser, (ii) in connection with such transaction, the Purchaser is acting solely as a principal and not as an advisor (including, without limitation, a Municipal Advisor (as such term is defined in section 975(e) of the Dodd-Frank Wall Street Reform and Consumer Protection Act)), agent or a fiduciary of the District, (iii) the Purchaser has financial and other interests that differ from those of the District and (iv) the District has consulted with its own legal and financial advisors to the extent it deemed appropriate in connection with the offering of the Notes.

2. The Notes. The Notes will be issued pursuant to the provisions of The Local Health Care District Law of the State of California (constituting Division 23 of the California Health and Safety Code) together, herein called the "Law"), an indenture, dated as of December 1, 2011 (the "Indenture"), by between the District and The Bank of New York Mellon Trust Company, N.A., Los Angeles, California, as trustee (the "Trustee"), and a resolution adopted by the Board of Directors of the District on December 21, 2011 (the "Resolution"). The Notes are issued for the purpose of financing certain health information technology/electronic health

records (HIT/EHR) equipment and software for the District (the "Project"). All capitalized terms not otherwise defined shall have the meanings set forth in the Indenture.

The Notes are payable from all legally available revenues, income, receipts and moneys received by or on behalf of the District, excluding gifts, grants, bequests, donations and contributions to the extent specifically restricted by the donor to a particular purpose inconsistent with their use for the payment of debt service on the Notes and excluding ad valorem tax revenue securing general obligation bonds of the District (the "Available Moneys"); *provided, however,* that the application of Available Moneys for the payment of debt service on the Notes is subject to any pledges of such revenues, income, receipts and moneys received by or on behalf of the District heretofore or hereafter made by the District

The Notes will be dated as of their date of delivery. The Notes will mature on the dates and in the principal amounts set forth in Exhibit A attached hereto. Interest on the Notes is payable semiannually on each June 1 and December 1, commencing June 1, 2013, at the rates set forth in Exhibit A attached hereto. The Notes will be subject to redemption prior to maturity on the dates and at the prices set forth in Exhibit B attached hereto.

3. Use of Documents. The District hereby authorizes the Purchaser to use, in connection with the offer and sale of the Notes, this Note Purchase Agreement, the Indenture, the Resolution and all information contained herein and therein and all of the documents, certificates or statements furnished by the District to the Purchaser in connection with the transactions contemplated by this Note Purchase Agreement.

4. Private Placement; Notes Constitute Investment of Purchaser; Representations and Warranties of Purchaser.

(a) The Purchaser has sufficient knowledge and experience in financial and business matters, including purchase and ownership of municipal and other obligations of a nature similar to the Notes to be able to evaluate the risks and merits of the investment represented by the purchase of the Notes.

(b) The Purchaser is acquiring the Notes for its own account and not with a view to, or for sale in connection with, any distribution of the Notes or any part thereof. The Purchaser has not offered to sell, solicited offers to buy, or agreed to sell the Notes or any part thereof, and the Purchaser has no current intention of reselling or otherwise disposing of the Notes *provided, however,* such representation shall not preclude the Purchaser from transferring or selling of the Notes in accordance with the Resolution. The Purchaser is not acting in a broker-dealer capacity in connection with its purchase of the Notes.

(c) As a sophisticated investor, the Purchaser has made its own credit inquiry and analysis with respect to the District and the Notes and has made an independent credit decision based upon such inquiry and analysis and in reliance on the truth, accuracy, and completeness of the representations and warranties of the District set forth in the Resolution and this Note Purchase Agreement and in the information set forth in any materials submitted to the Purchaser by the District. The District has furnished to the Purchaser all the information which the Purchaser, as a reasonable investor, has requested of the District as a result of the Purchaser having attached significance thereto in making its investment decision with respect to the Notes, and the Purchaser has had the opportunity to ask questions of and receive answers from knowledgeable individuals concerning the District and the Notes. The Purchaser is able and willing to bear the economic risk of the purchase and ownership of the Notes.

(d) The Purchaser understands that the Notes have not been registered under the United States Securities Act of 1933 or under any state securities laws. The Purchaser agrees that it will comply with any applicable state and federal securities laws then in effect with

respect to any disposition of the Notes by it, and further acknowledges that any current exemption from registration of the Notes does not affect or diminish such requirements.

(e) The Purchaser has authority to purchase the Notes and to execute this Note Purchase Agreement and any other instruments and documents required to be executed by the Purchaser in connection with the purchase of the Notes. The undersigned is a duly appointed, qualified, and acting officer of the Purchaser and is authorized to cause the Purchaser to make the representations and warranties contained herein by execution of this Note Purchase Agreement on behalf of the Purchaser.

(f) In entering into this transaction, the Purchaser has not relied upon any representations or opinions of the Paying Agent, or its agents, relating to the legal consequences or other aspects of its investment in the Notes.

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

(h) The Purchaser acknowledges that the Notes are transferable with certain requirements, as described in the Resolution.

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

5. Closing. At 8:00 A.M., California time, on December 23, 2011, or at such other time or on such other date as shall have been mutually agreed upon by you and us (the "Closing"), you will deliver to us (except as otherwise provided in the Indenture), at such place as we may mutually agree upon, the Notes in fully registered book-entry form, duly executed and registered in the name of the Purchaser, and in San Francisco, California, the other documents hereinafter mentioned; and we will accept such delivery and pay the purchase price thereof in immediately available funds by check, draft or wire transfer to or upon the order of the Paying Agent on behalf of the District.

6. Representations, Warranties and Agreements of the District. The District hereby represents, warrants and agrees with the Purchaser that:

(a) *Due Organization.* The District is a local health care district duly organized and validly existing under the laws of the State of California, with the power to request the issuance of the Notes.

(b) *Due Authorization.* (i) At or prior to the Closing, the District will have taken all action required to be taken by it to authorize the issuance and delivery of the Notes; (ii) the District has full legal right, power and authority to enter into this Note Purchase Agreement and the Indenture, to adopt the Resolution, to perform its obligations under each such document or instrument, and to carry out and effectuate the transactions contemplated by this Note Purchase Agreement, Indenture and the Resolution; (iii) the execution and delivery or adoption of, and the performance by the District of the obligations contained in the Notes, the Resolution, Indenture and this Note Purchase Agreement have been duly authorized and such authorization shall be in full force and effect at the time of the Closing; (iv) this Note Purchase Agreement and the Indenture constitute the valid and legally binding obligations of the District, subject to bankruptcy, insolvency, reorganization, arrangement, moratorium, fraudulent conveyance and other laws relating to or affecting creditors' rights, to the application of equitable principles and to the exercise of judicial discretion in appropriate cases; and (v) the District has duly authorized the consummation by it of all transactions

contemplated by this Note Purchase Agreement and the Indenture. The District will not amend, terminate or rescind, and will not agree to any amendment, termination or rescission of the Resolution, the Indenture or this Note Purchase Agreement without the prior written consent of the Purchaser prior to the Closing Date.

(c) *Consents.* Other than adoption of the Resolution, no consent, approval, authorization, order, filing, registration, qualification, election or referendum of or by any court or governmental agency or public body whatsoever is required in connection with the issuance, delivery or sale of the Notes or the consummation of the other transactions effected or contemplated herein or hereby.

(d) *No Conflicts.* To the best knowledge of the District, the issuance of the Notes, and the execution, delivery and performance of this Note Purchase Agreement, the Indenture the Resolution and the Notes, and the compliance with the provisions hereof do not conflict with or constitute on the part of the District a violation of or default under, the Constitution of the State of California or any existing law, charter, ordinance, regulation, decree, order or resolution and do not conflict with or result in a violation or breach of, or constitute a default under, any agreement, indenture, mortgage, lease or other instrument to which the District is a party or by which it is bound or to which it is subject.

(e) *Litigation.* As of the time of acceptance hereof, based on the advice of counsel to the District, no action, suit, proceeding, hearing or investigation is pending or, to the best knowledge of the District, threatened against the District: (i) in any way affecting the existence of the District or in any way challenging the respective powers of the several offices or of the titles of the officials of the District to such offices; or (ii) seeking to restrain or enjoin the sale, issuance or delivery of any of the Notes, the application of the proceeds of the sale of the Notes, or the amounts available to pay the principal of and interest on the Notes, or in any way contesting or affecting the validity or enforceability of the Notes, this Note Purchase Agreement, the Indenture or the Resolution or contesting the powers of the District or its authority with respect to the Notes, the Resolution, the Indenture or this Note Purchase Agreement; or (iii) in which a final adverse decision could (a) materially adversely affect the operations of the District or the consummation of the transactions contemplated by this Note Purchase Agreement, the Indenture or the Resolution, (b) declare this Note Purchase Agreement or the Indenture to be invalid or unenforceable in whole or in material part, or (c) adversely affect the exemption of interest on the Notes from California personal income taxation.

(f) *No Other Debt.* Between the date hereof and the Closing, without the prior written consent of the Purchaser, the District will not have issued any bonds, notes or certificates of participation.

(g) *Certificates.* Any certificates signed by any officer of the District and delivered to the Purchaser shall be deemed a representation by the District to the Purchaser, but not by the person signing the same, as to the statements made therein.

7. Covenants of the District. The District covenants and agrees with the Purchaser that the District will apply the proceeds from the sale of the Notes for the purposes specified in the Resolution.

8. Conditions to Closing. The Purchaser has entered into this Note Purchase Agreement in reliance upon the representations and warranties of the District contained herein and the performance by the District of its obligations hereunder, both as of the date hereof and as of the date of Closing. The Purchaser's obligations under this Note Purchase Agreement are and

shall be subject at the option of the Purchaser, to the following further conditions at the Closing:

(a) *Representations True.* The representations and warranties of the District contained herein shall be true, complete and correct in all material respects at the date hereof and at and as of the Closing as if made at and as of the Closing, and the statements made in all certificates and other documents delivered to the Purchaser at the Closing pursuant hereto shall be true, complete and correct in all material respects on the date of the Closing; and the District shall be in compliance with each of the agreements made by it in this Note Purchase Agreement;

(b) *Obligations Performed.* At the time of the Closing, (i) this Note Purchase Agreement, the Indenture and the Resolution shall be in full force and effect and shall not have been amended, modified or supplemented except as may have been agreed to in writing by the Purchaser; (ii) all actions which, in the opinion of Quint & Thimmig LLP ("Bond Counsel"), shall be necessary in connection with the transactions contemplated hereby shall have been duly taken and shall be in full force and effect; and (iii) the District shall perform or have performed all of its obligations required under or specified in the Resolution, this Note Purchase Agreement or the Indenture to be performed at or prior to the Closing; and

(c) *Adverse Rulings.* No decision, ruling or finding shall have been entered by any court or governmental authority since the date of this Note Purchase Agreement (and not reversed on appeal or otherwise set aside), or to the best knowledge of the District, pending or threatened which has any of the effects described in Section 6(f) hereof.

(d) *Delivery of Documents.* At or prior to the date of the Closing, Bond Counsel shall deliver sufficient copies of the following documents, in each case dated as of the Closing Date and satisfactory in form and substance to the Purchaser:

(1) Bond Opinion. An approving opinion of Bond Counsel, as to the validity of the Notes, dated the date of the Closing, addressed to the District;

(2) Reliance Letter. A reliance letter from Bond Counsel to the effect that the Purchaser can rely upon the approving opinion described in (e)(1) above;

(3) Resolution. A certificate, together with fully executed copies of the Resolution, of the Secretary of the District Board of Directors to the effect that:

(i) such copies are true and correct copies of the Resolution; and

(ii) that the Resolution was duly adopted and has not been modified, amended, rescinded or revoked and is in full force and effect on the date of the Closing.

(4) Other Documents. Such additional legal opinions, certificates, proceedings, instruments and other documents as the Purchaser may reasonably request to evidence compliance (i) by the District with legal requirements, (ii) the truth and accuracy, as of the time of Closing, of the representations of the District herein contained, and (iii) the due performance or satisfaction by the District at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by the District; and

(e) *Termination.* Notwithstanding anything to the contrary herein contained, if for any reason whatsoever the Notes shall not have been delivered by the District to the Purchaser prior

to the close of business, California Time, on December 23, 2011, then the obligation to purchase Notes hereunder shall terminate and be of no further force or effect except with respect to the obligations of the District and the Purchaser under Section 10 hereof.

If the District shall be unable to satisfy the conditions to the Purchaser's obligations contained in this Note Purchase Agreement or if the Purchaser's obligations shall be terminated for any reason permitted by this Note Purchase Agreement, this Note Purchase Agreement may be canceled by the Purchaser at, or at any time prior to, the time of Closing. Notice of such cancellation shall be given to the District in writing, or by telephone or telegraph, confirmed in writing. Notwithstanding any provision herein to the contrary, the performance of any and all obligations of the District hereunder and the performance of any and all conditions contained herein for the benefit of the Purchaser may be waived by the Purchaser in writing at its sole discretion.

9. Conditions to Obligations of the District. The performance by the District of its obligations is conditioned upon (i) the performance by the Purchaser of its obligations hereunder; (ii) receipt by the District and the Purchaser of opinions and certificates being delivered at the Closing by persons and entities other than the District, and (III) the continuing validity of the Purchaser's representations and warranties made herein.

10. Costs and Expenses. The Purchaser agrees to pay all expenses relating to the issuance of the Notes as further described in the Indenture.

11. Notices. Any notice or other communication to be given under this Note Purchase Agreement (other than the acceptance hereof as specified in the first paragraph hereof) may be given by delivering the same in writing if to the District, to the address shown above, to the attention of its Administrator, or if to the Purchaser, to UHC of California, 5995 Plaza Drive, Mail Code CA112-0267, Cypress, CA 90630, Attention: Mr. Steven P. Henry, CFA, Director, Treasury Investment Management, UnitedHealth Group.

12. Parties in Interest; Survival of Representations and Warranties. This Note Purchase Agreement when accepted by the District in writing as heretofore specified shall constitute the entire agreement among the District and the Purchaser. This Note Purchase Agreement is made solely for the benefit of the District and the Purchaser (including the successors or assigns of the Purchaser). No person shall acquire or have any rights hereunder or by virtue hereof. All representations, warranties and agreements of the District and the Purchaser in this Note Purchase Agreement shall survive regardless of (a) any investigation or any statement in respect thereof made by or on behalf of the Purchaser, (b) delivery of and payment by the Purchaser for the Notes hereunder, and (c) any termination of this Note Purchase Agreement.

13. Execution in Counterparts. This Note Purchase Agreement may be executed in several counterparts each of which shall be regarded as an original and all of which shall constitute but one and the same document.

14. Applicable Law. This Note Purchase Agreement shall be interpreted, governed and enforced in accordance with the law of the State of California applicable to contracts made and performed in such State.

Very truly yours,

UHC OF CALIFORNIA, as Purchaser

By _____
Thomas McGlinch,
Vice President

The foregoing is hereby agreed to and accepted as of the date first above written:

SURPRISE VALLEY HEALTH CARE DISTRICT

By _____
Wanda L. Grove,
Administrator

14. Applicable Law. This Note Purchase Agreement shall be interpreted, governed and enforced in accordance with the law of the State of California applicable to contracts made and performed in such State.

Very truly yours,

UHC OF CALIFORNIA, as Purchaser

By _____
Thomas McGlinch,
Vice President

The foregoing is hereby agreed to and accepted as of the date first above written:

SURPRISE VALLEY HEALTH CARE DISTRICT

By Wanda L Grove
Wanda L. Grove,
Administrator

APPENDIX A

INTEREST RATES, MATURITIES, DEBT SERVICE, AND OPTIONAL AND MANDATORY REDEMPTION PROVISIONS

Maturity Schedule

Maturity (December 1)	Principal Amount	Interest Rate
2016	$800,000	3.75%

Redemption Provisions

Optional Redemption. The Notes are subject to redemption at the option of the District as a whole or in part on any date from moneys deposited in the Special Redemption Account pursuant to the Indenture, at the principal amount thereof and interest accrued thereon to the date fixed for redemption, without premium. In order to create an incentive for the District to prepay the Notes, the District shall receive an incentive rebate of principal from the Owner for prepayment in whole prior to the maturity date of the Note, as follows:

Prepayment Date	Rebate Amount
On or prior to 36 month anniversary of the Closing Date	10% of original principal
On or prior to 42 month anniversary of Closing Date	7.5% of original principal
On or prior to 48 month anniversary of Closing Date	5% of original principal

Mandatory Sinking Fund Redemption. The Notes are subject to redemption prior to their stated maturity, in part, by lot, from mandatory sinking account payments on each December 1, 2014, December 1, 2015, and December 1, 2016, in the following principal amounts together with interest accrued thereon to the date fixed for redemption, without premium:

Payment Date (December 1)	Mandatory Sinking Account Payment
2014	$257,000
2015	267,000
2016†	276,000

†Maturity

NUMBER R-1 ***$800,000***.

United States of America
State of California
Modoc County

SURPRISE VALLEY HEALTH CARE DISTRICT
2011 HIT/EHR Taxable Promissory Note

INTEREST RATE:	MATURITY DATE:	DATED DATE:
3.75%	December 1, 2016	December 23, 2011

REGISTERED OWNER: UHC OF CALIFORNIA

PRINCIPAL SUM: EIGHT HUNDRED THOUSAND DOLLARS

SURPRISE VALLEY HEALTH CARE DISTRICT, a local health care district organized and existing under and pursuant to The Local Health Care District Law of the State of California (herein called the "District"), for value received, hereby promises to pay (but only out of the Available Moneys and other assets pledged therefor as hereinafter mentioned) to the Registered Owner stated above or registered assigns, on the Maturity Date stated above (subject to any right of prior redemption hereinafter mentioned), the Principal Sum stated above in lawful money of the United States of America, and to pay interest thereon in like lawful money from the date hereof until payment of such principal sum shall be discharged as provided in the Indenture hereinafter mentioned, at the Interest Rate per annum stated above, payable semiannually on each June 1 and December 1 (each, an "Interest Payment Date"), commencing June 1, 2013. The principal (or redemption price) hereof is payable at the principal corporate trust office of The Bank of New York Mellon Trust Company, N.A. (together with any successor trustee, herein called the "Trustee"), in Los Angeles, California (or at the principal corporate trust office of any successor trustee). Interest hereon is payable by wire transfer. Interest shall be calculated on the basis of a 360-day year consisting of twelve 30-day months.

SPECIMEN

This Note is one of a duly authorized issue of notes of the District designated as "Surprise Valley Health Care District 2011 HIT/EHR Taxable Promissory Notes" (herein called the "Notes"), limited in aggregate principal amount to eight hundred thousand dollars ($800,000), and issued pursuant to the provisions of The Local Health Care District Law of the State of California (constituting Division 23 of the California Health and Safety Code) together, herein called the "Law"), and pursuant to an indenture, dated as of December 1, 2011, between the District and the Trustee (the "Indenture"). The Notes are issued for the purpose of financing certain health information technology/electronic health records (HIT/EHR) equipment and software for the District. All capitalized terms not otherwise defined shall have the meanings set forth in the Indenture.

Reference is hereby made to the Indenture (a copy of which is on file at said office of the Trustee) and all indentures supplemental thereto and to the Law for a description of the rights thereunder of the registered owners of the Notes, the nature and extent of the security, the rights, duties and immunities of the Trustee, and the rights and obligations of the District

thereunder. The Owner of this Note, by acceptance hereof, assents and agrees to all the provisions of the Indenture.

The Notes and the interest thereon are payable from Available Moneys (as that term is defined in the Indenture). Neither the faith and credit nor the tax revenues received by the District are pledged to the payment of the principal of or interest on the Notes. The Notes are not a debt of the State of California or any political subdivision thereof, and neither said State nor any political subdivision thereof (except the District to the extent provided in the Indenture) is liable for the payment thereof.

The Notes are subject to redemption at the option of the District as a whole or in part on any date from moneys deposited in the Special Redemption Account pursuant to the Indenture, at the principal amount thereof and interest accrued thereon to the date fixed for redemption, without premium. In order to create an incentive for the District to prepay the Notes, the District shall receive an incentive rebate of principal from the Owner for prepayment in whole prior to the maturity date of the Note, as follows:

Prepayment Date	Rebate Amount
On or prior to 36 month anniversary of the Closing Date	10% of original principal
On or prior to 42 month anniversary of Closing Date	7.5% of original principal
On or prior to 48 month anniversary of Closing Date	5% of original principal

The Notes are subject to redemption prior to their stated maturity, in part, by lot, from mandatory sinking account payments on each December 1, 2014, December 1, 2015, and December 1, 2016, in the following principal amounts together with interest accrued thereon to the date fixed for redemption, without premium:

Payment Date (December 1)	Mandatory Sinking Account Payment
2014	$257,000
2015	267,000
2016†	276,000

†Maturity

If this Note is called for redemption and payment is duly provided therefor as specified in the Indenture, interest shall cease to accrue hereon from and after the date fixed for redemption.

SPECIMEN

Any notice of optional redemption of Notes shall state that such redemption shall be conditional upon the receipt by the Trustee by 11:00 A.M. (California time) on the Business Day preceding the date fixed for redemption of moneys sufficient to pay in full the redemption price of such Notes (unless the Trustee shall be in receipt of such moneys at the time such notice is given). If such moneys shall not be so received, such notice of redemption shall be of no force and effect, the District shall not redeem such Notes and the Trustee shall give notice, in the manner in which the notice of redemption was given, that such moneys were not so received and that such redemption did not occur. In such event, the Trustee shall promptly return Notes which it has received to the registered owners thereof.

If an Event of Default (as that term is defined in the Indenture) shall occur, the principal of all Notes may be declared due and payable upon the conditions, in the manner and with the effect provided in the Indenture. The Indenture provides that in certain events

such declaration and its consequences may be rescinded by the registered owners of not less than a majority in aggregate principal amount of the Notes then outstanding or by the Trustee.

This Note is not transferable or exchangeable.

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

The Indenture and the rights and obligations of the District the Owner and the Trustee may be modified or amended from time to time and at any time in the manner, to the extent and upon the terms provided in the Indenture; provided that no such modification or amendment shall (i) extend the fixed maturity of any Note, or reduce the amount of principal hereof, or extend the time of payment, or reduce the rate of interest hereon, or extend the time of payment of interest hereon, or reduce any premium payable upon the redemption hereof, without the consent of the registered owner of each Note so affected, or (ii) reduce the percentage of Notes the consent of the registered owners of which is required to effect any such modification or amendment, or permit the creation of any lien on the Available Moneys and other assets pledged as security for the Notes prior to or on a parity with the lien created by the Indenture, or deprive the registered owners of the Notes of the lien created by the Indenture on such Available Moneys and other assets (except as expressly provided in the Indenture), without the consent of the registered owners of all Notes then outstanding, all as more fully set forth in the Indenture.

IT IS HEREBY CERTIFIED AND RECITED that any and all conditions, things and acts required to exist, to have happened and to have been performed precedent to and in the issuance of this Note do exist, have happened and have been performed in due time, form and manner as required by the Law, and by the Constitution and laws of the State of California, and that the amount of this Note, together with all other indebtedness of the District, does not exceed any limit prescribed by the Constitution and laws of the State of California, and is not in excess of the amount of Notes permitted to be issued under the Indenture.

This Note shall not be entitled to any benefit under the Indenture or become valid or obligatory for any purpose until the Trustee's Certificate of Authentication hereon shall have been manually signed by the Trustee.

IN WITNESS WHEREOF, Surprise Valley Health Care District has caused this Note to be executed in its name and on its behalf by the signature of the Administrator and attested by the signature of the Secretary of its Board of Directors, all as of the Dated Date stated above.

SURPRISE VALLEY HEALTH CARE DISTRICT

SPECIMEN

By _____
Administrator

Attest:

_____
Secretary of the Board of Directors

Quint & Thimmig LLP
Attorneys at Law

575 Market Street, Suite 3600
San Francisco, CA 94105-2874

Phone: 415/765-1550
Fax: 415/765-1555

December 23, 2011

Board of Directors
Surprise Valley Health Care District
741 North Main Street
Cedarville, CA 96104

OPINION: $800,000 Surprise Valley Health Care District 2011 HIT/EHR Taxable Promissory Notes

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Members of the Board of Directors:

We have acted as bond counsel in connection with the issuance by the Surprise Valley Health Care District (the "District") of its $800,000 Surprise Valley Health Care District 2011 HIT/EHR Taxable Promissory Notes (the "Notes"), under the provisions of section 32130.2 of the California Health and Safety Code (the "Law"), an Indenture of Trust, dated as of December 1, 2011 (the "Indenture"), by and between the District and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee"), and Resolution No. 11-9, adopted by the Board of Directors of the District on December 21, 2011 (the "Resolution"). We have examined the law and such certified proceedings and other papers as we deem necessary to render this opinion.

As to questions of fact material to our opinion, we have relied upon representations of the District contained in the Resolution and in the Indenture and in the certified proceedings and certifications of public officials and others furnished to us, without undertaking to verify such facts by independent investigation.

SPECIMEN

Based upon the foregoing, we are of the opinion, under existing law, that:

1. The District is a duly created and validly existing healthcare district with the power to enter into the Indenture and to perform the agreements on its part contained therein.

2. The Indenture has been duly authorized, executed and delivered by the District and is valid, binding and enforceable against the District in accordance with its terms.

3. The Notes constitute valid and binding special obligations of the District payable solely from Available Moneys (as such term is defined in the Indenture) and certain other amounts held under the Indenture, as described in the Indenture.

Ownership of the Notes may result in tax consequences to certain taxpayers, and we express no opinion regarding any such collateral consequences arising with respect to the Notes.

The rights of the owners of the Notes and the enforceability of the Notes and the Indenture may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and also may be subject to the exercise of judicial discretion in accordance with general principles of equity.

In rendering this opinion, we have relied upon certifications of the District and others with respect to certain material facts. Our opinion represents our legal judgment based upon such review of the law and the facts that we deem relevant to render our opinion and is not a guarantee of a result. This opinion is given as of the date hereof and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Respectfully submitted,

SPECIMEN