

In the opinion of Quarles & Brady LLP, Bond Counsel, assuming continuous compliance with the requirements of the Internal Revenue Code of 1986, as amended, under existing law interest on the Series 2024A Bonds is excludable from the gross income of the owners thereof for federal income tax purposes and is not an item of tax preference in computing the alternative minimum tax for individuals; however, interest on the Series 2024A Bonds is taken into account in determining “adjusted financial statement income” for purposes of computing the federal alternative minimum tax imposed on Applicable Corporations (as defined in Section 59(k) of the Code). The interest on the Series 2024A Bonds is not exempt from present Wisconsin income taxes. For a more detailed description of the tax status of interest on the Series 2024A Bonds and certain other income tax consequences of Series 2024A Bond ownership, see “TAX MATTERS” herein.



\$374,895,000

**WISCONSIN HEALTH AND EDUCATIONAL FACILITIES AUTHORITY
REVENUE BONDS, SERIES 2024A
(MARSHFIELD CLINIC HEALTH SYSTEM, INC.)**



DATED Date of delivery.

GENERAL The Series 2024A Bonds will initially be issued in a Fixed Rate Mode, during which they will bear interest at fixed interest rates to the maturity dates as described on the inside cover page hereof. Interest on the Series 2024A Bonds will accrue from the date of delivery. The maturity dates, principal amounts, interest rates, prices, yields and CUSIPs for the Series 2024A Bonds are set forth on the inside cover page of this Official Statement. See “THE SERIES 2024A BONDS – Description of the Series 2024A Bonds” herein.

ISSUANCE The Wisconsin Health and Educational Facilities Authority (the “Authority”) will issue the Series 2024A Bonds through a book-entry system of The Depository Trust Company, New York, New York (“DTC”) under a Bond Trust Indenture, dated as of July 1, 2024, between the Authority and U.S. Bank Trust Company, National Association, as bond trustee (the “Bond Trustee”). No physical delivery of the Series 2024A Bonds will be made to beneficial owners, except as described in this Official Statement. Payments with respect to the Series 2024A Bonds shall be made by the Bond Trustee to Cede & Co., as nominee of DTC, which will, in turn, remit such payments to DTC Participants for disbursement to the beneficial owners of the Series 2024A Bonds. See “BOOK-ENTRY SYSTEM” in APPENDIX G hereto.

DENOMINATION The Series 2024A Bonds will be issued in denominations of \$5,000 and any integral multiple thereof.

REDEMPTION The Series 2024A Bonds are subject to redemption prior to maturity as herein described. See “THE SERIES 2024A Bonds – Redemption and Purchase Prior to Maturity” herein.

BOND INSURANCE Concurrently with the issuance of the Series 2024A Bonds, Build America Mutual Assurance Company will issue its Municipal Bond Insurance Policy (the “Bond Insurance Policy”) for the Series 2024A Bonds maturing on February 15, 2054 bearing interest at a rate of 5.250%, with the CUSIP 97712JKP7 and the Series 2024A Bonds maturing on February 15, 2054 bearing interest at a rate of 4.500% with the CUSIP 97712JKN2 (collectively, the “Insured Bonds”). The Bond Insurance Policy guarantees the scheduled payment of principal and interest on the Insured Bonds when due as set forth in the form of the Bond Insurance Policy included in APPENDIX H of this Official Statement. All other maturities of the Series 2024A Bonds are referred to herein as the “Non-Insured Bonds”. The Bond Insurance Policy is not covered by any security or guaranty fund established under New York, California, Connecticut or Florida insurance law.



USES The proceeds of the Series 2024A Bonds will be used to (i) finance or reimburse the Corporation or an affiliate of the Corporation for costs associated with the acquisition, construction, expansion, remodeling, renovation, furnishing and equipping of certain health facilities owned and operated by the Corporation or an affiliate of the Corporation, (ii) together with available funds, currently refund the Prior Bonds as described herein and (iii) pay certain costs associated with the issuance of the Series 2024A Bonds and the refunding of the Prior Bonds. See “PLAN OF FINANCE” herein.

LIMITED OBLIGATION **THE SERIES 2024A BONDS ARE LIMITED OBLIGATIONS OF THE AUTHORITY AND ARE NOT A DEBT OR LIABILITY OF THE STATE OF WISCONSIN OR OF ANY POLITICAL SUBDIVISION OR AGENCY THEREOF OTHER THAN THE AUTHORITY. THE SOURCE OF PAYMENT AND SECURITY FOR THE SERIES 2024A BONDS ARE MORE FULLY DESCRIBED HEREIN. THE AUTHORITY HAS NO TAXING POWER.**

The Series 2024A Bonds are offered when, as and if issued and received by the Underwriters, subject to prior sale, to withdrawal or modification of the offer without any notice, and to the approval of legality of the Series 2024A Bonds by Quarles & Brady LLP, Bond Counsel to the Authority. Certain legal matters will be passed upon for the Authority by Quarles & Brady LLP, as its general counsel. Certain legal matters will be passed upon for the Corporation and the other Members of the Obligated Group by their counsels, Conway, Olejniczak, & Jerry, S.C., Husch Blackwell LLP and Orrick, Herrington & Sutcliffe LLP. Certain legal matters will be passed upon for the Underwriters by their counsel, Hawkins Delafield & Wood LLP. It is expected that the Series 2024A Bonds will be available for delivery through the facilities of DTC in New York, New York, on or about July 2, 2024 (the “Date of delivery”).

Barclays

BofA Securities

Dated: June 26, 2024

\$374,895,000
WISCONSIN HEALTH AND EDUCATIONAL FACILITIES AUTHORITY
REVENUE BONDS, SERIES 2024A
(MARSHFIELD CLINIC HEALTH SYSTEM, INC.)

Serial Bonds

<u>Maturity Date</u> <u>(February 15)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Price</u>	<u>Yield</u>	<u>CUSIP[†]</u>
2025	\$ 2,000,000	5.000%	100.589%	4.020%	97712JKB8
2026	2,000,000	5.000	101.595	3.970	97712JKC6
2027	1,990,000	5.000	102.659	3.920	97712JKD4
2028	2,070,000	5.000	103.709	3.890	97712JKE2
2029	75,000,000	5.000	104.820	3.850	97712JKF9
2031	6,195,000	5.000	106.478	3.880	97712JKG7
2032	25,000,000	5.000	107.322	3.880	97712JKH5
2033	2,130,000	5.000	108.058	3.890	97712JKJ1
2035	12,465,000	5.250	110.568 ^C	3.920	97712JKK8
2036	15,425,000	5.250	110.063 ^C	3.980	97712JKL6

Term Bonds

\$130,620,000 5.500% Term Bond Due February 15, 2054, Price 106.048%^C Yield 4.710% CUSIP[†] 97712JKM4

\$25,000,000^a 5.250% Term Bond Due February 15, 2054, Price 106.360%^C Yield: 4.430% CUSIP[†] 97712JKP7

\$75,000,000^a 4.500% Term Bond Due February 15, 2054, Price 97.753% Yield: 4.640% CUSIP[†] 97712JKN2

[†] CUSIP is a registered trademark of the American Bankers Association (the “ABA”). CUSIP data herein is provided by CUSIP Global Services (“CGS”), which is managed on behalf of the ABA by FactSet Research Systems Inc. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. The CUSIP numbers listed above are being provided solely for the convenience of the holders of the Series 2024A Bonds only at the time of issuance of the Series 2024A Bonds, and the Corporation, the Bond Trustee and the Underwriters do not make any representations with respect to such CUSIP numbers or undertake any responsibility for their accuracy now or at any time in the future.

^C Priced to par call date of February 15, 2034.

^a Insured Bonds.

REGARDING USE OF THIS OFFICIAL STATEMENT

The information contained herein under “THE AUTHORITY” and “LITIGATION – The Authority” has been furnished by the Wisconsin Health and Educational Facilities Authority (the “*Authority*”). The information in APPENDIX G – “BOOK-ENTRY SYSTEM” has been obtained from The Depository Trust Company. All other information contained herein has been obtained from Marshfield Clinic Health System, Inc. (the “*Corporation*”) and other sources (other than the Authority) which are believed to be reliable. Such other information is not guaranteed as to accuracy or completeness by, and is not to be relied upon as or construed as a promise or representation by, the Authority or the Underwriters. The Underwriters have provided the following sentence for inclusion in this Official Statement. *The Underwriters have reviewed the information in this Official Statement in accordance with and as part of their responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction.* No representation, warranty or guarantee is made by the Underwriters as to the accuracy or completeness of any information in this Official Statement, and nothing contained in this Official Statement is or shall be relied upon as a promise or representation by the Underwriters.

Build America Mutual Assurance Company (“*BAM*”) makes no representation regarding the Insured Bonds or the advisability of investing in the Insured Bonds. In addition, BAM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding BAM, supplied by BAM and presented under the heading “BOND INSURANCE” and “APPENDIX H – SPECIMEN BOND INSURANCE POLICY.”

The Authority does not assume any responsibility for the accuracy or completeness of any information contained in this Official Statement, except such information relating specifically to the Authority under “THE AUTHORITY” and “LITIGATION – The Authority.” Neither the Authority, its counsel, nor any of its officers, members, agents, employees or representatives have reviewed this Official Statement or investigated the statements or representations contained herein, except for those statements relating to the Authority set forth under “THE AUTHORITY” and “LITIGATION – The Authority.” Except with respect to the information contained under such captions, neither the Authority, its counsel, nor any of its officers, members, agents, employees or representatives make any representation as to the completeness, sufficiency and truthfulness of the statements set forth in this Official Statement. Officers, members, employees and agents of the Authority and any other person executing the Series 2024A Bonds are not subject to personal liability by reason of the issuance of the Series 2024A Bonds.

No dealer, broker, salesperson or other person has been authorized by the Authority, the Corporation or the Underwriters to give any information or to make any representations other than those contained in this Official Statement and, if given or made, such information or representations must not be relied upon as having been authorized by any of the foregoing. This Official Statement shall not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be a sale of Series 2024A Bonds by any person, in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall under any circumstances create any implication that there has been no change in the affairs of the Authority or the Corporation since the date hereof.

IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY UPON THEIR OWN EXAMINATION OF THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED.

THE SERIES 2024A BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 NOR HAS THE BOND INDENTURE OR THE MASTER INDENTURE BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH ACTS. THE REGISTRATION OR QUALIFICATION OF THE SERIES 2024A BONDS IN ACCORDANCE WITH APPLICABLE PROVISIONS OF SECURITIES LAWS OF THE STATES IN WHICH THE SERIES 2024A BONDS HAVE BEEN REGISTERED OR QUALIFIED, IF ANY, AND THE EXEMPTION FROM REGISTRATION OR QUALIFICATION IN OTHER STATES CANNOT BE REGARDED AS RECOMMENDATIONS THEREOF. NEITHER THESE STATES NOR ANY OF THEIR AGENCIES HAVE PASSED UPON THE MERITS OF THE SERIES 2024A BONDS OR THE ACCURACY OR COMPLETENESS OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

CAUTIONARY STATEMENTS REGARDING FORWARD-LOOKING STATEMENTS IN THIS OFFICIAL STATEMENT

Certain statements included or incorporated by reference in this Official Statement constitute projections or estimates of future events, generally known as “forward-looking statements.” Such statements generally are identifiable by the terminology used such as “plan,” “expect,” “estimate,” “budget” or other similar words. Such forward-looking statements include, among others, certain of the information under “BONDHOLDERS’ RISKS” and “REGULATION OF THE HEALTH CARE INDUSTRY” herein and in APPENDIX A to this Official Statement.

THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVES KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. THE CORPORATION DOES NOT PLAN TO ISSUE ANY UPDATES OR REVISIONS TO THOSE FORWARD-LOOKING STATEMENTS IF OR WHEN THEIR EXPECTATIONS, OR EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH SUCH STATEMENTS ARE BASED OCCUR.

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OFFICIAL STATEMENT

\$374,895,000

**WISCONSIN HEALTH AND EDUCATIONAL FACILITIES AUTHORITY
REVENUE BONDS, SERIES 2024A
(MARSHFIELD CLINIC HEALTH SYSTEM, INC.)**

INTRODUCTION

Purpose of this Official Statement. This Official Statement, including the cover page, the immediately succeeding pages and Appendices hereto, is furnished in connection with the offering of the above-referenced bonds (the “*Series 2024A Bonds*”) of the Wisconsin Health and Educational Facilities Authority (the “*Authority*”), a public body politic and corporate organized under the laws of the State of Wisconsin (the “*State*”). The Series 2024A Bonds are being issued pursuant to and secured by a Bond Trust Indenture, dated as of July 1, 2024 (the “*Bond Indenture*”) between the Authority and U.S. Bank Trust Company, National Association, as bond trustee (the “*Bond Trustee*”), and are being issued in accordance with the provisions of Chapter 231 of the Wisconsin Statutes, as amended (the “*Act*”). Certain capitalized terms used in this Official Statement and not otherwise defined are defined in APPENDIX C — “SUMMARY OF THE MASTER INDENTURE AND THE TAX-EXEMPT BONDS SUPPLEMENT,” APPENDIX D-1 — “COPY OF THE BOND INDENTURE” and APPENDIX D-2 — “COPY OF THE LOAN AGREEMENT” hereto.

Marshfield Clinic Health System, Inc. The proceeds to be received by the Authority from the sale of the Series 2024A Bonds will be loaned to Marshfield Clinic Health System, Inc., a Wisconsin nonstock, nonprofit corporation (the “*Corporation*”), pursuant to a Loan Agreement, dated as of July 1, 2024 (the “*Loan Agreement*”) by and between the Authority and the Corporation. The Corporation’s obligations to make payments on the Series 2024A Bonds will be secured by the Tax-Exempt Bonds Master Note further described below. The Corporation, together with its affiliates (collectively, the “*System*”), owns and operates an integrated health system providing health care services in northern, central and western Wisconsin and the Upper Peninsula of Michigan. The System includes Marshfield Clinic, Inc., a Wisconsin nonstock, nonprofit corporation (“*Marshfield Clinic*”), one of the largest physician groups in the State of Wisconsin, and certain other medical facilities. See APPENDIX A hereto for a more detailed description of the Corporation and its history, organization, facilities and financial performance.

Purpose; Plan of Finance; Additional Financing. As part of the Corporation’s plan of finance, concurrently with the issuance of the Series 2024A Bonds, the Corporation expects to issue a series of taxable bonds in the principal amount of \$174,830,000 (the “*2024 Taxable Bonds*” and together with the Series 2024A Bonds, the “*Series 2024 Bonds*”). To evidence the Corporation’s obligations to make payments on the 2024 Taxable Bonds, the Corporation will issue a Master Note for the 2024 Taxable Bonds (the “*Taxable Bonds Master Note*”) that will be equally and ratably secured with the Tax-Exempt Bonds Master Note. The 2024 Taxable Bonds will be offered pursuant to a separate offering document. ***The issuance of each series of the Series 2024 Bonds is not contingent or dependent on the issuance of the other series of the Series 2024 Bonds.***

The Corporation will use the proceeds of the Series 2024A Bonds and the 2024 Taxable Bonds to refinance or refund all of the Prior Bonds described herein. The proceeds of the Series 2024A Bonds will also be used to (i) finance or reimburse the Corporation or an affiliate of the Corporation for costs associated with the acquisition, construction, expansion, remodeling, renovation, furnishing and equipping of certain health facilities owned and operated by the Corporation (the “*Projects*”), and (ii) pay certain costs associated with the issuance of the Series 2024A Bonds and the refunding of a portion of the Prior Bonds.

The proceeds of the 2024 Taxable Bonds will also be used for other general corporate purposes, including the payment of certain costs associated with the issuance of the 2024 Taxable Bonds and the refinancing of a portion of the Prior Bonds.

See “PLAN OF FINANCE” and “ESTIMATED SOURCES AND USES OF FUNDS” herein.

Security. To secure the Corporation’s obligations under the Loan Agreement to repay the Series 2024A Bonds, the Corporation will issue the Marshfield Clinic Health System Obligated Group Series 2024B Master Note

(the “*Tax-Exempt Bonds Master Note*”), payable to the Authority providing for payments sufficient to pay principal of and premium, if any, and interest on the Series 2024A Bonds. The Tax-Exempt Bonds Master Note will be issued pursuant to the terms of the Second Amended and Restated Master Trust Indenture (as supplemented and amended from time to time, the “*Master Indenture*”), dated as of October 1, 2016 between the Corporation, as Obligated Group Agent, and The Bank of New York Mellon Trust Company, N.A., as master trustee (the “*Master Trustee*”), as currently being supplemented by the Supplemental Master Trust Indenture for the Series 2024B Master Note (the “*Tax-Exempt Bonds Supplement*”), between the Corporation, as Obligated Group Agent, and the Master Trustee and by the Supplemental Master Trust Indenture for the Series 2024C Master Note securing the 2024 Taxable Bonds (the “*Taxable Supplement*,” and together with the Tax-Exempt Bonds Supplement, the “*Series 2024 Supplements*”). The Authority will pledge and assign the Tax-Exempt Bonds Master Note and certain of its rights under the Loan Agreement to the Bond Trustee as security for the Series 2024A Bonds.

Pursuant to the Master Indenture, each Member of the Obligated Group has pledged and assigned to the Master Trustee, for the benefit of the holders of the Master Notes, subject in all cases to Permitted Encumbrances, a security interest in and to the Gross Revenues (as defined herein). Additionally, pursuant to the Tax-Exempt Bonds Supplement, the Obligated Group will grant the Master Trustee a mortgage lien on certain of its properties, pursuant to a Mortgage (as defined herein). See “SECURITY AND SOURCE OF PAYMENT FOR THE SERIES 2024A BONDS” for a more complete description of the Tax-Exempt Bonds Master Note, the pledge and security interest in Gross Revenues and the Mortgage.

As of the date of this Official Statement, the Corporation, Marshfield Clinic, Marshfield Clinic Health System Foundation, Inc., a Wisconsin nonstock, nonprofit corporation (the “*MCHS Foundation*”), MCHS Hospitals, Inc., a Wisconsin nonstock, nonprofit corporation (“*MCHS Hospitals*”); Lakeview Medical Center, Inc. of Rice Lake, a Wisconsin nonstock, nonprofit corporation (“*MMC - Rice Lake*”), Memorial Hospital, Inc., Neillsville, Wisconsin, a Wisconsin nonstock, nonprofit corporation (“*MMC - Neillsville*”); Beaver Dam Community Hospitals, Inc., a Wisconsin nonstock, nonprofit corporation (“*MMC - Beaver Dam*”), and Flambeau Hospital, Inc., as Wisconsin nonstock, nonprofit corporation (“*MMC-Park Falls*”), each exempt from federal income tax pursuant to Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, are the Members of the Obligated Group (as such term is defined in the Master Indenture). The Corporation does not currently have any plans to change the composition of the Obligated Group.

Notwithstanding uncertainties as to enforceability of the covenant of each Member of the Obligated Group in the Master Indenture to be jointly and severally guaranteeing each Master Note issued under the Master Indenture (as described under “BONDHOLDERS’ RISKS – Security and Enforceability”), the accounts of the current Members of the Obligated Group, their consolidated subsidiaries, and any future Members of the Obligated Group will be combined for financial reporting purposes and will be used in determining whether various covenants and tests contained in the Master Indenture are met.

Bond Insurance. Concurrently with the issuance of the Series 2024A Bonds, Build America Mutual Assurance Company (“*BAM*”) will issue its Municipal Bond Insurance Policy (the “*Bond Insurance Policy*”) for the Series 2024A Bonds maturing on February 15, 2054 bearing interest at a rate of 5.250% with the CUSIP 97712JKP7 and the Series 2024A Bonds maturing on February 15, 2054 bearing interest at a rate of 4.500% with the CUSIP 97712JKN2 (collectively, the “*Insured Bonds*”). The Bond Insurance Policy guarantees the scheduled payment of principal and interest on the Insured Bonds when due as set forth in the form of the Bond Insurance Policy included in APPENDIX H of this Official Statement. All other maturities of the Series 2024A Bonds are referred to herein as the “*Non-Insured Bonds*”. The Bond Insurance Policy is not covered by any security or guaranty fund established under New York, California, Connecticut or Florida insurance law. See “BOND INSURANCE” herein.

Outstanding and Additional Indebtedness. Prior to the issuance of the Tax-Exempt Bonds Master Note and the Taxable Bonds Master Note, the Corporation has approximately \$1.4 billion of long-term indebtedness outstanding that is secured by Master Notes. Upon the issuance of the Series 2024A Bonds and the Series 2024 Taxable Bonds and the execution of the plan of finance described herein, the Corporation will have approximately \$1.5 billion of long-term indebtedness outstanding that will be secured by Master Notes. See “MANAGEMENT’S DISCUSSION AND ANALYSIS OF RECENT FINANCIAL PERFORMANCE – Indebtedness” in Appendix A. In addition, in certain circumstances, the Corporation or any future Member of the Obligated Group may issue additional Master Notes under the Master Indenture to the Authority or to persons other than the Authority that will not be pledged under

the Bond Indenture that will be equally and ratably secured with the Tax-Exempt Bonds Master Note by the Master Indenture and may be secured by security in addition to that provided to the Tax-Exempt Bonds Master Note. See “SECURITY AND SOURCE OF PAYMENT FOR THE SERIES 2024A BONDS.”

Bank/Purchaser/ Bond Insurer Covenants. The Corporation has entered into various agreements (the “*Bank Agreements*”) with certain financial institutions to provide liquidity or credit, or to incur indebtedness that is directly purchased by certain financial institutions in non-public transactions. These Bank Agreements are secured by Master Notes and, in connection with such Bank Agreements, the Corporation is subject to certain covenants for the benefit of such financial institutions (the “*Bank Agreement Covenants*”). Some of these Bank Agreements are associated with certain Prior Bonds and upon the refinancing in full of such Prior Bonds, the related Bank Agreements will terminate in accordance with their respective terms.

Additionally, the scheduled payment of principal of and interest on the outstanding Wisconsin Health and Educational Facilities Authority Revenue Bonds, Series 2020A (Marshfield Clinic Health System, Inc.) (“*2020A Tax-Exempt Insured Bonds*”) and the outstanding Marshfield Clinic Health System, Inc. Taxable Bonds, Series 2020 (Marshfield Clinic Health System Obligated Group) (the “*2020 Taxable Insured Bonds*” and together with the 2020A Insured Bonds, the “*2020 Insured Bonds*”) when due are guaranteed under separate municipal bond insurance policies issued a bond insurer other than BAM. The 2020 Insured Bonds are secured by Master Notes and, so long as the related Master Notes remain outstanding, the Corporation is subject to certain covenants for the benefit of the bond insurers (the “*2020 Bond Insurer Covenants*”). Concurrently with the issuance of the Series 2024A Bonds, the Corporation is issuing its 2024 Taxable Bonds. The 2024 Taxable Bonds are insured by a separate bond insurance policy issued by a different bond insurer (the “*2024 Taxable Bond Insurer*”) that subjects the 2024 Taxable Bonds to covenants substantially similar to the Bond Insurer Covenants (the “*2024 Taxable Bond Covenants*”).

Failure by the Corporation to comply with Bank Agreement Covenants, the 2020 Bond Insurer Covenants or the 2024 Taxable Bond Covenants could cause an event of default under the Master Indenture. In addition, such covenants may be modified, amended or waived at any time with the prior written consent of the respective lender, purchaser or bond insurer, as applicable, and without the consent of the Bond Trustee or the Holder of any Master Note, including the Tax-Exempt Bonds Master Note, and without the consent of the owners of any Series 2024A Bonds. See “SECURITY AND SOURCE OF PAYMENT FOR THE SERIES 2024A BONDS – Bank/Purchaser/Bond Insurer Covenants” herein for further information.

Continuing Disclosure. The Corporation, on its own behalf and as Obligated Group Agent on behalf of the Members of the Obligated Group, will enter into an undertaking for the benefit of the Bondholders to provide certain information quarterly and annually and to provide notice of certain events to certain information repositories. For further information, see “CONTINUING DISCLOSURE UNDERTAKING” herein and “FORM OF CONTINUING DISCLOSURE UNDERTAKING” in APPENDIX F hereto.

Bondholders’ Risks and Health Care Industry Risks. There are risks associated with the purchase of the Series 2024A Bonds. See “BONDHOLDERS’ RISKS” and “REGULATION OF THE HEALTH CARE INDUSTRY” herein for a discussion of certain of these risks.

General. The following descriptions and summaries in this Official Statement of the Series 2024A Bonds, the Bond Indenture, the Loan Agreement, the Tax-Exempt Bonds Master Note and the Master Indenture are qualified by reference to the complete text of the documents being described or summarized. Copies of such documents will be available for inspection at the principal corporate trust office of the Bond Trustee.

PLAN OF FINANCE

Use of Proceeds of the Series 2024A Bonds

The Corporation will use the proceeds of the Series 2024A Bonds (i) to finance or reimburse the Corporation or an affiliate of the Corporation for costs associated with the Projects, (ii) together with other available funds (which may include proceeds of the 2024 Taxable Bonds), to currently refund the Prior Bonds as described under “– Prior

Bonds” below and (iii) pay certain costs associated with the issuance of the Series 2024A Bonds and the refunding of a portion of the Prior Bonds.

Use of Proceeds of the 2024 Taxable Bonds

The Corporation will use the proceeds of the 2024 Taxable Bonds for general corporate purposes, including the refinancing of the Prior Bonds as described under “– Prior Bonds” below and to pay certain costs associated with the issuance of the 2024 Taxable Bonds and the refinancing of a portion of the Prior Bonds.

Prior Bonds

In accordance with the plan of finance, portions of the proceeds of the Series 2024 Bonds are expected to be used to provide funds for the refunding and redemption or repayment of the following bonds:

Prior Bonds	Outstanding Principal Amounts	Redemption or Payment Date
Tax-Exempt Prior Bonds		
Wisconsin Health and Educational Facilities Authority Refunding Revenue Bonds, Series 2012A (Marshfield Clinic Health System, Inc.) [‡]	\$54,865,000 ¹	Date of Issue
Wisconsin Health and Educational Facilities Authority Adjustable Rate Revenue Bonds, Series 2019A (Marshfield Clinic Health System, Inc.) [‡]	44,755,000	Date of Issue
Wisconsin Health and Educational Facilities Authority Revenue Bonds, Series 2020B-1 (Marshfield Clinic Health System, Inc.) [‡]	67,445,000	August 15, 2024
Wisconsin Health and Educational Facilities Authority Revenue Bonds, Series 2022A (Marshfield Clinic Health System, Inc.) [‡]	75,000,000	August 1, 2024
Wisconsin Health and Educational Facilities Authority Revenue Bonds, Series 2022B (Marshfield Clinic Health System, Inc.) [‡]	41,245,000	Date of Issue
Taxable Prior Bonds		
Marshfield Clinic Health System, Inc. Taxable Bonds, Series 2022 (Marshfield Clinic Health System Obligated Group) [†]	50,000,000	Date of Issue
Marshfield Clinic Health System, Inc. Taxable Bonds, Series 2023 (Marshfield Clinic Health System Obligated Group) [†]	\$120,000,000	Date of Issue

¹ Outstanding principal amount reflects principal payment due and paid on June 15, 2024.

[‡] Refunded from proceeds of the 2024 Tax-Exempt Bonds.

[†] Refinanced from proceeds of the 2024 Taxable Bonds.

The bonds identified in the table above are referred to, collectively, as the “*Prior Bonds*.”

The funds deposited with the prior bond trustees for such purpose will be held as cash or invested in permitted investments, and will be pledged to secure the payment of the principal of, premium, if any, and interest on the Prior Bonds on their respective redemption or payment dates.

THE AUTHORITY

Powers

The Authority has, among other powers, the statutory power to make loans to certain health care, educational, research and other nonprofit institutions in Wisconsin, to finance the cost of projects and refinance or refund outstanding indebtedness and to assign its rights under loan agreements, notes, mortgages and other securities of health

care, educational, research and other nonprofit institutions to which the Authority has made loans, and the revenues therefrom, for the benefit of the holders of bonds issued to finance or refinance such projects.

Members of the Authority

The Authority consists of seven members, all of whom must be Wisconsin residents, appointed by Wisconsin's Governor by and with the consent of the Wisconsin State Senate. Members of the Authority serve staggered seven-year terms and continue to serve until their successors are appointed. The members of the Authority receive no compensation for the performance of their duties but are paid their necessary expenses while engaged in the performance of such duties. No member, officer, agent or employee of the Authority may, directly or indirectly, have any financial interest in any bond issue or in any loan or any property to be included in, or any contract for property or materials to be furnished or used in connection with, any project of the Authority, under penalty of law. Members of the Authority, however, may serve as directors or officers of institutions for which the Authority is providing financing, but they may not vote or take part in the Authority's deliberations concerning such financing.

The present members of the Authority are:

	Term Expires (June 30)
James Dietsche, Chairperson Chief Financial Officer KerberRose Green Bay, Wisconsin	2026
Tim Size, Vice-Chairperson Executive Director Rural Wisconsin Health Cooperative Sauk City, Wisconsin	2025
Renee Anderson President/CEO Saint John's Communities, Inc. Milwaukee, Wisconsin	2024
Billie Jo Higgins Vice President Finance & Information Services Evergreen Retirement Community Oshkosh, Wisconsin	2028 ⁽¹⁾
James Oppermann Former Senior Vice President - Finance and Management Services Alverno College Milwaukee, Wisconsin	2030
Pamela Stanick Vice President, Finance & Treasury The Medical College of Wisconsin, Inc. Milwaukee, Wisconsin	2029
Robert Van Meeteren President/CEO Reedsburg Area Medical Center, Inc. Reedsburg, Wisconsin	2027 ⁽¹⁾

⁽¹⁾Ms. Higgins and Mr. Van Meeteren were reappointed by the Governor of the State of Wisconsin and serve pending Wisconsin State Senate confirmation.

Authority Counsel

Quarles & Brady LLP serves as general counsel to the Authority.

Financing Program of the Authority

The following summary outlines the principal amount of revenue bonds and notes issued during each of the Authority's fiscal years. Except for the other series of bonds previously issued by the Authority for the benefit of the Corporation or other Members of the Obligated Group, such bonds and notes are secured by instruments separate and apart from the Master Indenture. All such bonds and notes are secured by instruments separate and apart from the Bond Indenture.

Fiscal Year Ended June 30	Public Issues		Private Placements		Total	
	Number of Financings	Amount	Number of Financings	Amount	Number of Financings	Amount
1980	0	\$ 0	1	\$ 1,300,000	1	\$ 1,300,000
1981	3	24,480,000	4	20,365,000	7	44,845,000
1982	3	34,100,000	4	12,575,000	7	46,675,000
1983	1	4,000,000	1	600,000	2	4,600,000
1984	4	16,375,000	3	13,225,000	7	29,600,000
1985	6	196,505,000	2	2,200,000	8	198,705,000
1986	9	213,260,000	5	17,478,000	14	230,738,000
1987	12	191,610,000	9	48,410,000	21	240,020,000
1988	14	170,890,000	14	81,589,000	28	252,479,000
1989	20	254,979,000	6	14,394,000	26	269,373,000
1990	14	277,605,000	9	45,737,000	23	323,342,000
1991	11	233,590,000	3	37,500,000	14	271,090,000
1992	15	346,160,000	5	43,500,000	20	389,660,000
1993	25	579,235,000	6	18,775,000	31	598,010,000
1994	16	434,495,000	6	46,615,000	22	481,110,000
1995	7	101,770,000	6	18,847,000	13	120,617,000
1996	14	382,905,000	2	8,800,000	16	391,705,000
1997	28	706,960,300	1	764,000	29	707,724,300
1998	25	722,050,000	1	2,700,000	26	724,750,000
1999	28	710,960,000	4	36,000,000	32	746,960,000
2000	16	415,710,000	6	17,736,450	22	433,446,450
2001	19	437,580,000	8	26,589,000	27	464,169,000
2002	18	815,100,000	2	8,000,000	20	823,100,000
2003	14	296,895,000	3	15,935,000	17	312,830,000
2004	26	912,245,000	4	25,980,000	30	938,225,000
2005	32	923,038,430	2	23,067,000	34	946,105,430
2006	25	706,235,000	2	6,570,000	27	712,805,000
2007	25	1,238,330,000	2	29,090,000	27	1,267,420,000
2008	24	1,006,255,000	4	36,500,000	28	1,042,755,000
2009	21	1,470,875,000	3	37,859,824	24	1,508,734,824
2010	17	1,338,695,000	13	114,746,851	30	1,453,441,851
2011	11	512,745,000	12	75,330,531	23	588,075,531
2012	10	1,149,250,000	16	469,944,854	26	1,619,194,854
2013	18	1,335,035,000	29	374,569,801	47	1,709,604,801
2014	5	326,220,000	19	468,391,000	24	794,611,000
2015	11	726,181,000	26	752,236,098	37	1,478,417,098
2016	4	1,219,215,000	19	689,319,802	23	1,908,534,802
2017	8	668,330,000	18	700,681,416	26	1,369,011,416
2018	10	1,043,355,000	17	379,430,529	27	1,422,785,529
2019	8	1,027,775,000	10	297,056,000	18	1,324,831,000
2020	13	978,810,000	8	207,597,597	21	1,186,407,597
2021	4	322,355,000	5	313,052,310	9	635,407,310
2022	12	851,475,000	23	465,337,559	35	1,320,412,559
2023	5	283,940,000	13	457,737,000	18	741,677,000
TOTAL	611	\$25,607,573,730⁽¹⁾	356	\$6,467,732,622⁽²⁾	967	\$32,075,306,352

⁽¹⁾ Includes \$10,615,328,521 which was refinanced by subsequent Authority bond issues.

⁽²⁾ Includes \$2,907,492,757 which was refinanced by subsequent Authority bond issues.

In its fiscal year beginning July 1, 2023, the Authority has issued and authorized the issuance of additional issues of bonds. The Authority plans to issue other obligations from time to time to finance and refinance additional health, educational research and other nonprofit facilities. Such other obligations will be issued pursuant to and secured by instruments separate and apart from the Bond Indenture.

Bonds of the Authority

The Authority may from time to time issue bonds for any corporate purpose described in the Act, and, pursuant to the Act these bonds are negotiable for all purposes notwithstanding their payment from a limited source. Such bonds are payable solely out of revenues of the Authority specified in the resolution under which they are issued or in a related trust indenture or mortgage. The Authority must pledge the revenues to be received on account of each financing as security for the bonds issued in that financing.

State of Wisconsin Not Liable on the Series 2024A Bonds

The Series 2024A Bonds and the interest payable thereon do not constitute a debt or liability of the State of Wisconsin or of any political subdivision thereof other than the Authority, but shall be payable solely from the funds pledged for the Series 2024A Bonds in accordance with the Bond Indenture. The issuance of the Series 2024A Bonds does not, directly, indirectly or contingently, obligate the State of Wisconsin or any political subdivision thereof to levy any form of taxation for the payment thereof or to make any appropriation for their payment. The State of Wisconsin shall not in any event be liable for the payment of the principal of or interest on the Series 2024A Bonds or for the performance of any pledge, obligation or agreement of any kind whatsoever which may be undertaken by the Authority. No breach by the Authority of any such pledge, obligation or agreement may impose any pecuniary liability upon the State of Wisconsin or any charge upon its general credit or against its taxing power. The Authority has no taxing power.

The Act provides that the State of Wisconsin pledges to, and agrees with, holders of any obligations issued under the Act that it will not limit or alter the rights vested in the Authority by the Act until such obligations, together with the interest thereon, are fully met and discharged, provided nothing in the Act precludes such limitation or alteration if and when adequate provision shall be made by law for the protection of the holders of such obligations.

THE SERIES 2024A BONDS

Under the terms of the Bond Indenture, the Series 2024A Bonds can be issued in various interest rate modes (each a “Mode”), including the Commercial Paper Mode, the Daily Mode, the Weekly Mode, the Indexed Mode, the Term Rate Mode, the Fixed Rate Mode, the Bank Index Mode, the Bank Fixed Mode and the R-FLOATs Rate Mode. The Series 2024A Bonds will be issued initially in the Fixed Rate Mode.

This Official Statement does not describe the terms of the Series 2024A Bonds in any Mode other than the Fixed Rate Mode. If the Series 2024A Bonds are converted to another Mode, the affected Series 2024A Bonds must be purchased from the Holders pursuant to the mandatory tender provisions of the Bond Indenture and then remarketed to investors (or to purchasers in case of Bank Rate Period Bonds) in the new Mode. If the Series 2024A Bonds are converted to another Mode, the Corporation will prepare a reoffering circular or supplement to this Official Statement or other disclosure document describing such Mode or will offer and sell the converted Series 2024A Bonds in a limited offering that does not require preparation of an Official Statement.

The Series 2024A Bonds will be registered in the name of Cede & Co., as nominee of DTC, pursuant to DTC’s Book-Entry System. Purchases of beneficial interests in the Series 2024A Bonds will be made in book-entry form, without certificates. If at any time the Book-Entry System is discontinued for the Series 2024A Bonds, the Series 2024A Bonds will be exchangeable for other fully registered certificated Series 2024A Bonds in any authorized denomination, maturity and interest rate. See APPENDIX G – “BOOK-ENTRY SYSTEM” hereto for a description of the Book-Entry System.

Method of Payment

For a description of the method of payment of principal, premium, if any, and interest on the Series 2024A Bonds while in the Book-Entry System, see APPENDIX G – “BOOK-ENTRY SYSTEM” hereto. In the event the Book-Entry System is discontinued, the following provisions would apply.

Payment of the principal of and premium, if any, on the Series 2024A Bonds when due, whether upon maturity, redemption, acceleration or otherwise, will be made to the registered owner at the principal corporate trust office of the Bond Trustee, or at the designated office of any alternate paying agent subsequently appointed, upon presentation and surrender of the Series 2024A Bonds to be paid. Payment of the interest on any Series 2024A Bonds in a Fixed Rate Mode shall be made by check mailed by first class mail to such holder at its address as it appears on the registration books, or, upon the written request of any holder of at least \$1,000,000 in aggregate principal amount of the Series 2024A Bonds, submitted to the Bond Trustee at least five Business Days prior to the Record Date (as defined the Bond Indenture), by wire transfer in immediately available funds to an account within the United States of America designated by such holder.

Registration, Transfers and Exchanges

For a description of the method of payment and of matters pertaining to transfers and exchanges of the Series 2024A Bonds while in the Book-Entry System, see APPENDIX G – “BOOK-ENTRY SYSTEM” hereto. In the event the Book-Entry System is discontinued, the following provisions would apply.

The Bond Trustee will keep the registration books for the Series 2024A Bonds. Subject to the further conditions contained in the Bond Indenture, the Series 2024A Bonds may be transferred upon presentation at the principal corporate trust office of the Bond Trustee if such Series 2024A Bond is accompanied by a written instrument of transfer satisfactory to the Bond Trustee that has been duly executed by the registered owner or the registered owner’s duly authorized attorney. The Series 2024A Bonds, upon surrender thereof at the principal corporate trust office of the Bond Trustee, may be exchanged for other Series 2024A Bonds of the same series in authorized denominations having the same form, terms, interest rate, maturity and aggregate principal amount as the Series 2024A Bonds being exchanged. The registered owner requesting any transfer or exchange of any Series 2024A Bond may be required to pay, as a condition to the transfer or exchange, any resulting tax or other governmental charge but may not otherwise be charged for any exchange or transfer.

The Bond Trustee is not required to register, transfer, exchange or replace any Series 2024A Bonds (i) after notice calling such Series 2024A Bond or portion thereof for redemption has been mailed or (ii) during the fifteen day period next preceding the mailing of a notice of redemption or mandatory tender of the Series 2024A Bonds of the same maturity. The Authority and the Bond Trustee may treat the registered owner of any Series 2024A Bond as the absolute owner of that Series 2024A Bond for all purposes, whether or not that Series 2024A Bond is overdue, and will not be bound by any notice to the contrary.

Description of the Series 2024A Bonds

The Series 2024A Bonds will be issued initially in the Fixed Rate Mode, will initially be dated as of the date of issuance thereof, will bear interest at the rates and will mature (subject to the redemption provisions described below), or be subject to purchase, as applicable, in the amounts and on the dates set forth on the inside cover page of this Official Statement. Interest will be payable on August 15, 2024 and semiannually on each February 15 and August 15 thereafter. Interest shall be calculated on the basis of a 360-day year of twelve 30 day months.

The Series 2024A Bonds will be issued as fully registered bonds without coupons and in denominations of \$5,000 and any integral multiple thereof.

Redemption and Purchase Prior to Maturity

Optional Redemption. During the initial Fixed Rate Period, the Series 2024A Bonds are subject to redemption prior to the Maturity Date by the Authority at the written direction of the Corporation, in whole or in part

(and if in part, in an Authorized Denomination) on any day on or after, February 15, 2034 at a redemption price equal to 100% of the principal amount of Bonds called for redemption, plus accrued interest to the redemption date.

Mandatory Sinking Account Redemption. The Series 2024A Bonds maturing on February 15, 2054 bearing interest at a rate of 5.500% are subject to mandatory partial redemptions prior to their stated maturity date by operation of a bond sinking fund. On the following redemption dates (each a “*Sinking Fund Redemption Date*”), the Series 2024A Bonds shall be redeemed in the following principal amounts:

Sinking Fund Redemption Date (February 15)	Principal Amount to be Redeemed
2050	\$11,285,000
2051	41,870,000
2052	51,310,000
2053	17,920,000
2054*	8,235,000

* Maturity

Extraordinary Redemption. The Series 2024A Bonds are callable for redemption prior to maturity at a price equal to 100% of the principal amount of the Series 2024A Bonds being redeemed plus the full amount of the unpaid interest which has accrued on the Series 2024A Bonds and will accrue to the date the Series 2024A Bonds are redeemed in whole or in part on any Business Day in the event of damage to or destruction of the Facilities of any Member of the Obligated Group or any part thereof as a result of fire or other casualty, the Net Proceeds of which are estimated to exceed 10% of the Book Value of the Property, Plant and Equipment of the Obligated Group or any prospective or pending condemnation proceedings with respect to the Facilities of any Member of the Obligated Group or any part thereof.

Purchase in Lieu of Redemption. In lieu of redeeming Series 2024A Bonds, the Bond Trustee may, at the Written Request of the Corporation, use such funds otherwise available under the Bond Indenture for redemption of Series 2024A Bonds to purchase Series 2024A Bonds identified by the Corporation in the open market for cancellation at a price specified by the Corporation not exceeding the Redemption Price then applicable under the Bond Indenture. In the case of any optional redemption or any purchase and cancellation of term Series 2024A Bonds, the Bond Trustee shall apply as a credit against the required Bond Sinking Fund deposits with respect to such term bonds the amount of such term bonds in such order as the Corporation elects in writing prior to such optional redemption or purchase and cancellation or, if no election is made, in the inverse order thereof. The Bond Trustee shall cancel all such Series 2024A Bonds so purchased. To the extent Eligible Moneys are required to be used for a redemption under the terms of the Bond Indenture, then such moneys used by the Corporation to purchase Series 2024A Bonds in lieu of redemption shall also be required to be Eligible Moneys. In addition, the amount of Series 2024A Bonds to be redeemed on any date pursuant to the mandatory Bond Sinking Fund redemption schedule shall be reduced by the principal amount of Series 2024A Bonds of the maturity required to be redeemed which are acquired by the Corporation or any other Member and delivered to the Bond Trustee for cancellation as described under this heading.

Optional Purchase of the Series 2024A Bonds. The Authority and, by their acceptance of the Series 2024A Bonds, the Bondholders, irrevocably grant to the Corporation and any assigns of the Corporation with respect to this right, the option to purchase, at any time and from time to time, any Series 2024A Bond which is otherwise subject to optional redemption, on the date on which the Series 2024A Bonds would otherwise be redeemed, at a purchase price equal to the Redemption Price therefor. To exercise such option, the Corporation shall give the Bond Trustee a Written Request exercising such option within the time period specified in the Bond Indenture as though such Written Request were a written request of the Authority for redemption, and the Bond Trustee shall thereupon give the Holders of the Series 2024A Bonds to be purchased notice of such purchase in the manner specified in the Bond Indenture as though such purchase were a redemption and the purchase of such Series 2024A Bonds shall be mandatory and enforceable against the Holders, and Holders will not have the right to retain their Series 2024A Bonds. On the date fixed for purchase pursuant to any exercise of such option, the Corporation shall pay or cause to be paid the purchase price of the Series 2024A Bonds then being purchased to the Bond Trustee in immediately available funds, and the Bond Trustee shall pay the same to the sellers of such Series 2024A Bonds against delivery thereof. Following such purchase, the Bond Trustee shall cause such Series 2024A Bonds to be registered in the name of the Corporation or

its nominee and shall deliver them to the Corporation or its nominee. In the case of the purchase of less than all of the Series 2024A Bonds of a maturity, the particular Series 2024A Bonds to be purchased shall be selected in accordance with the Bond Indenture. No purchase of the Series 2024A Bonds shall operate to extinguish the indebtedness of the Authority evidenced thereby.

Notice of Redemption or Purchase in Lieu of Redemption. In the event any of the Series 2024A Bonds are called for redemption or purchase in lieu of redemption as aforesaid, notice of the redemption or purchase in lieu of redemption identifying the Series 2024A Bonds to be redeemed or purchased will be given by mailing a copy of the notice by first class mail, postage prepaid not less than 15 or more than 60 days prior to the date fixed for redemption or purchase to the Authority, the Rating Agencies and the registered owner of each Series 2024A Bond to be redeemed or purchased in whole or in part at the address shown on the registration books; provided, however, that failure to give such notice by mailing or to provide such notice to any registered securities depository, or a defect in the notice or mailing as to any Series 2024A Bond with respect to which notice was properly given, will not affect the validity of any proceedings for the redemption or purchase of a Series 2024A Bond. Except for Mandatory Bond Sinking Fund Redemption and prior to the date that the redemption notice is first mailed, either (a) Eligible Moneys shall be placed with the Bond Trustee to pay the principal of such Series 2024A Bonds, the accrued and unpaid interest thereon to the date of redemption and the premium, if any, thereon, or (b) such notice of redemption shall state that it is revocable and any redemption is conditional on Eligible Moneys being on deposit with the Bond Trustee on the date of redemption and that failure to make such a deposit or such deposit not being Eligible Moneys (if required) shall not constitute an event of default under the Bond Indenture.

Upon the happening of the above conditions and if sufficient funds are placed with the Bond Trustee by the redemption date to pay the principal of such Series 2024A Bonds, the accrued interest thereon to the redemption date and the premium, if any, thereon, the Series 2024A Bonds, or portions thereof, thus called shall not bear interest after the applicable date of redemption, shall no longer be protected by the Bond Indenture and shall not be deemed to be outstanding under the provisions of the Bond Indenture. The Bond Trustee shall redeem, in the manner provided in the Bond Indenture, such an aggregate principal amount of such Series 2024A Bonds at the principal amount thereof plus accrued interest to the redemption date and premium, if any, as will exhaust as nearly as practicable such funds. At the direction of the Corporation, such funds may be invested in U.S. Government Obligations until needed for redemption payout.

If such conditions are not satisfied or sufficient funds are not so deposited by such date, such Series 2024A Bonds shall not be subject to redemption and the holders thereof shall have the same rights as if no such notice had been given. In such event, the Bond Trustee shall promptly give notice thereof to the owners of such Series 2024A Bonds by first class mail, postage prepaid.

The foregoing notwithstanding, so long as the Book-Entry System is in place, notices will only be given to Cede & Co. For more information, see APPENDIX G – “BOOK-ENTRY SYSTEM” hereto.

BOND INSURANCE

Bond Insurance Policy. Concurrently with the issuance of the Series 2024A Bonds, BAM will issue its Municipal Bond Insurance Policy for the Insured Bonds. The Bond Insurance Policy guarantees the scheduled payment of principal and interest on the Insured Bonds when due as set forth in the form of the Bond Insurance Policy included in APPENDIX H of this Official Statement. The Bond Insurance Policy is not covered by any security or guaranty fund established under New York, California, Connecticut or Florida insurance law.

Build America Mutual Assurance Company.

BAM is a New York domiciled mutual insurance corporation and is licensed to conduct financial guaranty insurance business in all fifty states of the United States and the District of Columbia. BAM provides credit enhancement products solely to issuers in the U.S. public finance markets. BAM will only insure municipal bonds, as defined in Section 6901 of the New York Insurance Law, which are most often issued by states, political subdivisions, integral parts of states or political subdivisions or entities otherwise eligible for the exclusion of income under section 115 of the U.S. Internal Revenue Code of 1986, as amended. No member of BAM is liable for the obligations of BAM.

The address of the principal executive offices of BAM is: 200 Liberty Street, 27th Floor, New York, New York 10281, its telephone number is: 212-235-2500, and its website is located at: www.buildamerica.com.

BAM is licensed and subject to regulation as a financial guaranty insurance corporation under the laws of the State of New York and in particular Articles 41 and 69 of the New York Insurance Law.

BAM's financial strength is rated "AA/Stable" by S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P"). An explanation of the significance of the rating and current reports may be obtained from S&P at www.standardandpoors.com. The rating of BAM should be evaluated independently. The rating reflects S&P's current assessment of the creditworthiness of BAM and its ability to pay claims on its policies of insurance. The above rating is not a recommendation to buy, sell or hold the Insured Bonds, and such rating is subject to revision or withdrawal at any time by S&P, including withdrawal initiated at the request of BAM in its sole discretion. Any downward revision or withdrawal of the above rating may have an adverse effect on the market price of the Insured Bonds. BAM only guarantees scheduled principal and scheduled interest payments payable by the issuer of the Insured Bonds on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the Policy), and BAM does not guarantee the market price or liquidity of the Insured Bonds, nor does it guarantee that the rating on the Insured Bonds will not be revised or withdrawn.

Capitalization of BAM

BAM's total admitted assets, total liabilities, and total capital and surplus, as of March 31, 2024 and as prepared in accordance with statutory accounting practices prescribed or permitted by the New York State Department of Financial Services were \$483.2 million, \$221.8 million and \$261.4 million, respectively.

BAM is party to a first loss reinsurance treaty that provides first loss protection up to a maximum of 15% of the par amount outstanding for each policy issued by BAM, subject to certain limitations and restrictions.

BAM's most recent Statutory Annual Statement, which has been filed with the New York State Insurance Department and posted on BAM's website at www.buildamerica.com, is incorporated herein by reference and may be obtained, without charge, upon request to BAM at its address provided above (Attention: Finance Department). Future financial statements will similarly be made available when published.

BAM makes no representation regarding the Insured Bonds or the advisability of investing in the Insured Bonds. In addition, BAM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding BAM, supplied by BAM and presented under this heading.

Additional Information Available from BAM

Credit Insights Videos. For certain BAM-insured issues, BAM produces and posts a brief Credit Insights video that provides a discussion of the obligor and some of the key factors BAM's analysts and credit committee considered when approving the credit for insurance. The Credit Insights videos are easily accessible on BAM's website at www.buildamerica.com/videos. (The preceding website address is provided for convenience of reference only. Information available at such address is not incorporated herein by reference.)

Credit Profiles. Prior to the pricing of bonds that BAM has been selected to insure, BAM may prepare a pre-sale Credit Profile for those bonds. These pre-sale Credit Profiles provide information about the sector designation (e.g. general obligation, sales tax); a preliminary summary of financial information and key ratios; and demographic and economic data relevant to the obligor, if available. Subsequent to closing, for any offering that includes bonds insured by BAM, any pre-sale Credit Profile will be updated and superseded by a final Credit Profile to include information about the gross par insured by CUSIP, maturity and coupon. BAM pre-sale and final Credit Profiles are easily accessible on BAM's website at www.buildamerica.com/credit-profiles. BAM will produce a Credit Profile for all bonds insured by BAM, whether or not a pre-sale Credit Profile has been prepared for such bonds. (The preceding

website address is provided for convenience of reference only. Information available at such address is not incorporated herein by reference.)

Disclaimers. The Credit Profiles and the Credit Insights videos and the information contained therein are not recommendations to purchase, hold or sell securities or to make any investment decisions. Credit-related and other analyses and statements in the Credit Profiles and the Credit Insights videos are statements of opinion as of the date expressed, and BAM assumes no responsibility to update the content of such material. The Credit Profiles and Credit Insight videos are prepared by BAM; they have not been reviewed or approved by the issuer of or the underwriter for the Insured Bonds, and the issuer and underwriter assume no responsibility for their content.

BAM receives compensation (an insurance premium) for the insurance that it is providing with respect to the Insured Bonds. Neither BAM nor any affiliate of BAM has purchased, or committed to purchase, any of the Insured Bonds, whether at the initial offering or otherwise.

SECURITY AND SOURCE OF PAYMENT FOR THE SERIES 2024A BONDS

General

The Series 2024A Bonds are limited obligations of the Authority and payable solely from (i) payments, income and revenues derived pursuant to the terms of the Loan Agreement (except to the extent included in the Unassigned Rights, as defined in APPENDIX D-1 hereto) including all payments made by the Corporation or the other Members of the Obligated Group on the Tax-Exempt Bonds Master Note, (ii) all amounts realized upon recourse to the Loan Agreement or any collateral given by the Corporation to secure its obligations under the Loan Agreement, (iii) all amounts realized upon recourse to the Master Indenture which are available pursuant to the Master Indenture to pay amounts due on the Tax-Exempt Bonds Master Note, and (iv) the money and securities (including the earnings from the investment of them) held by the Bond Trustee in the trust funds established under the Bond Indenture. Certain moneys deposited with the Bond Trustee will be held in a Rebate Fund established pursuant to the Tax Exemption Agreement. Amounts held in the Rebate Fund are not part of the “trust estate” pledged to secure the Series 2024A Bonds and consequently will not be available to make payments on the Series 2024A Bonds.

The Master Indenture

On October 1, 2016, the Corporation, for itself and as Obligated Group Agent, entered into the Master Indenture with the Master Trustee. Only Members of the Obligated Group are directly obligated under the Master Indenture. The Members of the Obligated Group are liable with respect to Master Notes issued under the Master Indenture. Each Member of the Obligated Group is jointly and severally obligated to pay when due the principal of, premium, if any, and interest on each Master Note issued under the Master Indenture, including the Tax-Exempt Bonds Master Note, which will evidence and secure the loan of the proceeds of the Series 2024A Bonds from the Authority to the Corporation. For more information, see “SUMMARY OF THE MASTER INDENTURE AND THE TAX-EXEMPT BONDS SUPPLEMENT” in APPENDIX C hereto.

Members of the Obligated Group. Upon the issuance of the Series 2024A Bonds, the Corporation, Marshfield Clinic, MCHS Foundation, MCHS Hospitals, MMC Rice-Lake, MMC-Neillsville, MMC-Beaver Dam and MMC-Park Falls will be the Members of the Obligated Group under the Master Indenture. Under certain conditions described in the Master Indenture, additional Persons may be added to the Obligated Group from time to time after the issuance of the Series 2024A Bonds and made jointly and severally liable with respect to the Tax-Exempt Bonds Master Note and all other Master Notes outstanding under the Master Indenture. Additionally, in accordance with the Master Indenture, Members may withdraw from the Obligated Group from time to time. See “SUMMARY OF THE MASTER INDENTURE AND THE TAX-EXEMPT BONDS SUPPLEMENT – The Second Amended and Restated Master Trust Indenture – Entrance Into and Withdrawal from the Obligated Group” in APPENDIX C hereto.

Certain Master Indenture Covenants. The Master Indenture imposes certain limited covenants upon the Members of the Obligated Group for the benefit of the holders of Master Notes (including the Tax-Exempt Bonds Master Note), including covenants, among others, relating to (i) the admission of a Member into the Obligated Group and the withdrawal of a Member from the Obligated Group, (ii) maintaining debt service coverage, (iii) limitations on

mergers, consolidation, sale or conveyance involving Members, (iv) limitations on the creation of Liens by Members, (v) limitations upon the sale, lease or other disposition of Property, (vi) limitations on the incurrence of Additional Indebtedness and (vii) maintaining insurance coverage. See “Amendments” below and “SUMMARY OF THE MASTER INDENTURE AND THE TAX-EXEMPT BONDS SUPPLEMENT” in APPENDIX C hereto.

Additional Indebtedness. In the Master Indenture, each Member agrees that they will not incur Additional Indebtedness without first complying with the required debt service coverage ratio calculations or meeting other requirements set forth in the Master Indenture. See “SUMMARY OF THE MASTER INDENTURE AND THE TAX-EXEMPT BONDS SUPPLEMENT – The Second Amended and Restated Master Trust Indenture – Additional Indebtedness” and “– Debt Service Coverage and Calculation of Debt Service” in APPENDIX C hereto.

Covenant against Liens. Pursuant to the Master Indenture, each Member covenants that it will not create or suffer Liens upon any of its Property, except for Permitted Encumbrances. See the definition of “Permitted Encumbrances” in “SUMMARY OF THE MASTER INDENTURE AND THE TAX-EXEMPT BONDS SUPPLEMENT – The Second Amended and Restated Master Trust Indenture – Definitions” and “– Liens on Property” in APPENDIX C hereto.

Grant of Security Interest in Gross Revenues. Pursuant to the Master Indenture, each Member agrees to pledge and assign to the Master Trustee, for the benefit of the holders of the Master Notes, subject in all cases to Permitted Encumbrances, a security interest in and to the Gross Revenues. “Gross Revenues” is defined as: (i) all accounts (including, but not limited to, health care insurance receivables), accounts receivable and other contract rights in connection therewith and assignable general intangibles now owned or hereafter acquired by any Member of the Obligated Group regardless of how generated, and all proceeds therefrom, whether cash or noncash, all as defined in Article 9 of the Uniform Commercial Code, as amended, of the state in which such Member has its primary place of business and (ii) all other receipts, revenues and income derived from the Property, Plant and Equipment of any Member of the Obligated Group or on behalf of the Obligated Group by the Master Trustee or a receiver; excluding in all cases, however, gifts, grants, bequests, donations and contributions to any Member heretofore or hereafter made, and the income and gains derived therefrom, that are specifically restricted by the donor or grantor to a particular purpose that is inconsistent with their use for payments required under the Master Indenture or on the Master Notes. See “BONDHOLDERS’ RISKS – Security and Enforceability.”

Mortgage. Pursuant to the Series 2024 Supplements, Marshfield Clinic and MCHS Hospitals will each grant the Master Trustee a mortgage lien on certain of their real property (collectively, the “Mortgaged Property”) pursuant to a Mortgage and Security Agreement, dated as of July 1, 2024 (the “Mortgage”). The Mortgaged Property consists of the real estate and improvements constituting Marshfield Medical Center – Marshfield, the flagship campus of the System. So long as any of the Tax-Exempt Bonds Master Note or Taxable Bonds Master Note is Outstanding, the Mortgage will secure all Outstanding Master Notes on a parity basis. Although it provides a lien for the Tax-Exempt Bonds Master Note, Taxable Bonds Master Note and all other Master Notes outstanding, it will be discharged without consent or notice to the Holders of all Master Notes upon receipt by the Master Trustee of any one of the following: (i) written request of the Obligated Group Agent certifying that both the Tax-Exempt Bonds Master Note and Taxable Bonds Master Note are no longer Outstanding, (ii) written confirmation from S&P Global Ratings, Inc., a business unit of Standard & Poor’s Financial Services LLC (“S&P”), Fitch Ratings, Inc. (“Fitch”) or any other rating agency then rating any series of bonds issued by or for the benefit of the Obligated Group (including the Series 2024 Bonds) (the “Related Bonds”) that the ratings on each such series of Related Bonds (without regard to any credit enhancement) by each of S&P, Fitch or any other rating agency then rating each such series of Related Bonds is at least “A3” or “A-” or its equivalent or (iii) consent of the 2024 Taxable Bond Insurer and consent of the holders of a majority in aggregate principal amount of the Tax-Exempt Bonds Master Note and the Taxable Bonds Master Note then outstanding. Upon written request of the Obligated Group Agent, without the necessity of obtaining consent or giving prior notice to any of the Holders, the Master Trustee agrees to execute and deliver such releases, subordinations, requests for reconveyances, termination statements or other instruments as may be reasonably requested by the Obligated Group Agent and prepared by or on behalf of the Obligated Group Agent in connection with (1) the disposition of Property in accordance with the provisions of the Master Indenture, (2) the cessation of status of a Member of the Obligated Group pursuant to the Master Indenture and the applicable provisions of any Supplemental Master Indenture, (3) the granting by a Member of the Obligated Group of any Lien which constitutes a Permitted Encumbrance of the Master Indenture, as certified to the Master Trustee in writing by the Obligated Group Agent, and (4) any Substitute Mortgaged Property, provided, however, the prior written consent of the 2024 Taxable Bond Insurer

shall be required if such dispositions, releases, subordinations, requests for reconveyances, termination statements or other instruments executed in connection with (1), (2) or (3) above will result in a material diminution of the fair market value of the Mortgaged Property. In addition to the limitations on sale, lease or other disposition of Property contained in the Master Indenture, the Members of the Obligated Group may not sell, lease or otherwise dispose of any Mortgaged Property unless the Master Trustee shall be furnished with an Officer's Certificate to the effect that the remaining real property and/or substitute real property together with a copy of the appraisal satisfies the conditions set forth in the Series 2024 Supplements. See "SUMMARY OF THE MASTER INDENTURE AND THE TAX-EXEMPT BONDS SUPPLEMENT – The Tax-Exempt Bonds Supplement – Mortgage" in APPENDIX C hereto.

On the date of issuance of the Series 2024A Bonds, a title insurance policy with respect to the Mortgaged Property will be issued in favor of the Master Trustee in the amount of \$1,000,000. **The title insurance policy will be insufficient to pay any claim which exceeds the face amount of the policy.**

Joint and Several Obligation. Payments on the Tax-Exempt Bonds Master Note pledged under the Bond Indenture are an obligation of the Corporation jointly and severally guaranteed by any future Member of the Obligated Group. Notwithstanding uncertainties as to enforceability of the covenant of each Member of the Obligated Group in the Master Indenture to be jointly and severally liable for each Master Note (as described under "BONDHOLDERS' RISKS – Security and Enforceability – Enforceability of the Master Indenture and Master Notes"), the accounts of the Corporation, its consolidated subsidiaries, and any future Members of the Obligated Group will be combined for financial reporting purposes and will be used in determining whether various covenants and tests contained in the Master Indenture are met.

The Tax-Exempt Bonds Master Note is an obligation of the Corporation jointly and severally guaranteed by any current and future Member of the Obligated Group and secured by a uniform commercial code security interest in Gross Revenues of each Member of the Obligated Group and by the Mortgage. See "BONDHOLDERS' RISKS – Security and Enforceability – Enforceability of Remedies; Bankruptcy." Under certain conditions specified in the Master Indenture, Members of the Obligated Group may issue additional Master Notes, which additional Master Notes will not be pledged under the Bond Indenture but will be equally and ratably secured by the Master Indenture with the Tax-Exempt Bonds Master Note. Upon the issuance of the Series 2024 Bonds, and after execution of the plan of finance described herein, the Corporation will have approximately \$1.5 billion of long-term indebtedness outstanding that will be secured by Master Notes. In addition, the Master Indenture permits such additional Master Notes to be secured by security in addition to that provided for the Tax-Exempt Bonds Master Note, subject to Permitted Encumbrances, and such additional security may include letters or lines of credit, insurance or Liens on Property, or security interests in depreciation reserve, debt service or interest reserve or debt service or similar funds. The Master Indenture provides that the supplemental master indenture pursuant to which any one or more series of Master Notes entitled to additional security is issued may provide for such supplements or amendments to the provisions of the Master Indenture, including the provisions thereof relating to the exercise of remedies upon the occurrence of an event of default, as are necessary to provide for such security and to permit realization upon such security solely for the benefit of the Master Notes entitled thereto. In addition, the Master Indenture permits each Member to issue other indebtedness and to enter into guaranties, all upon the terms and conditions specified therein. See APPENDIX C for a description of certain terms of the Master Indenture, including those which impose restrictions on actions of the Obligated Group for the benefit of all holders of Master Notes issued under the Master Indenture.

The Master Indenture provides that the Corporation may request, without the consent of any Holders of the Series 2024A Bonds, that the Bond Trustee surrender the Tax-Exempt Bonds Master Note to the Master Trustee for cancellation and in exchange for an obligation issued under a different master indenture securing the obligations of a different obligated group that would include among its members the Members of the Obligated Group. This could, under certain circumstances, lead to the substitution of different security in the form of an obligation secured by an obligated group that is financially and operationally different than the current Obligated Group. The new obligated group could have substantial debt outstanding that would rank on a parity with the substitute obligation. In order to substitute a replacement obligation for the Tax-Exempt Bonds Master Note, the Obligated Group will be required to deliver certain opinions and meet certain tests and requirements, including, but not limited to, a rating requirement for the replacement obligation or related bonds of the new obligated group. See "SUMMARY OF THE MASTER INDENTURE AND THE TAX-EXEMPT BONDS SUPPLEMENT – The Second Amended and Restated Master Trust Indenture –Master Notes" in APPENDIX C.

Amendments. The Tax-Exempt Bonds Supplement will permit certain amendments to the Master Indenture to take effect without further consent of the owners of the Series 2024A Bonds. Such amendments are intended to (i) change the requirement for withdrawal of a Member from the Obligated Group and (ii) reduce the aggregate principal amount of Master Notes, the holders of which are required to consent to any amendments to the Master Indenture, from sixty percent to fifty percent. In accordance with the provisions of the Master Indenture, these amendments require various percentages of consent of the holders of each series of Master Note outstanding under the Master Indenture, in addition to a percentage of consent of holders of the aggregate principal amount of the Master Notes outstanding under the Master Indenture (each, a “*Required Consent Level*”). For a description of the amendments to the Master Indenture and the Required Consent Level for each amendment, see “SUMMARY OF THE MASTER INDENTURE AND THE TAX-EXEMPT BONDS SUPPLEMENT – The Second Amended and Restated Master Trust Indenture” in APPENDIX C hereto.

By purchasing the Series 2024A Bonds, the owners of the Series 2024A Bonds will be deemed to have consented to the amendments pursuant to the Tax-Exempt Bonds Supplement. Upon the issuance of the Series 2024A Bonds, the Bond Trustee, pursuant to the Bond Indenture and as the Authority’s assignee of the Tax-Exempt Bonds Master Note, will have consented to the amendments pursuant to the Tax-Exempt Bonds Supplement. However, such amendments will not be effective upon the date of delivery of the Series 2024A Bonds. Each amendment will become effective as the Required Consent Level for such amendment is achieved. The Corporation will provide notice on the Electronic Municipal Market Access system when the Required Consent Level for each amendment has been reached.

The Loan Agreement

The rights of the Authority in and to the Tax-Exempt Bonds Master Note, the amounts payable thereon and the amounts payable to the Authority under the Loan Agreement (except to the extent included in the Unassigned Rights, as defined in APPENDIX D-1) have been assigned to the Bond Trustee pursuant to the Bond Indenture to provide for and to secure the payment of principal of, premium, if any, and interest on the Series 2024A Bonds. The Corporation agrees under the Loan Agreement to make its payments on the Tax-Exempt Bonds Master Note directly to the Bond Trustee.

The Loan Agreement imposes certain restrictions on the Corporation’s actions for the benefit of the Authority and the holders of the Series 2024A Bonds. See “COPY OF BOND INDENTURE” in APPENDIX D-1 and “COPY OF THE LOAN AGREEMENT” in APPENDIX D-2 hereto.

Bank/Purchaser/Bond Insurer Covenants

The Corporation has entered into Bank Agreements with certain financial institutions to provide liquidity or credit, or to incur indebtedness that is directly purchased by certain financial institutions in non-public transactions. These Bank Agreements are secured by Master Notes and, in connection with such Bank Agreements, the Corporation is subject to Bank Agreement Covenants, including a more restrictive debt service coverage requirement and days’ cash on hand and debt to capitalization requirements, that apply in addition to the covenants contained in the Master Indenture. Some of these Bank Agreements are associated with certain Prior Bonds and upon the refinancing in full of such Prior Bonds, the related Bank Agreements will terminate in accordance with their respective terms.

Additionally, the scheduled payment of principal of and interest on the 2020 Insured Bonds when due is guaranteed under municipal bond insurance policy issued by a bond insurer other than BAM. The 2020 Insured Bonds are secured by Master Notes, and so long as the related Master Notes remain outstanding, the Corporation is subject to certain 2020 Bond Insurer Covenants, including a days’ cash on hand requirement, that apply in addition to the covenants contained in the Master Indenture. The 2024 Taxable Bonds are insured by a separate bond insurance policy issued by the 2024 Taxable Bond Insurer that subjects the 2024 Taxable Bonds to the 2024 Taxable Bonds Covenants.

Failure by the Corporation to comply with Bank Agreement Covenants, the 2020 Bond Insurer Covenants or the 2024 Taxable Bond Covenants could cause an event of default under the Master Indenture. In addition, such covenants may be modified, amended or waived at any time with the prior written consent of the respective lender, purchaser or bond insurer, as applicable, and without the consent of the Bond Trustee or the Holder of any Master Note, including the Tax-Exempt Bonds Master Note and without the consent of the owners of any Series 2024A Bonds.

ESTIMATED SOURCES AND USES OF FUNDS

The following table sets forth the estimated sources and uses of the funds related to the Series 2024 Bonds. (All amounts are rounded to the nearest whole dollar; numbers in certain rows and columns may not total due to rounding.)

	Series 2024A Bonds	2024 Taxable Bonds[†]	Total
Sources:			
Par Amount	\$374,895,000	\$174,830,000	\$549,725,000
Plus Net Original Issue Premium	16,865,984	-	16,865,984
Equity Contribution	5,526,618	-	5,526,618
Total Sources	\$397,287,602	\$174,830,000	\$572,117,602
Uses:			
Project Costs	\$105,013,949	-	\$105,013,949
Prior Bonds	286,254,889	170,085,000	456,339,889
Costs of Issuance [‡]	6,018,764	4,745,000	10,763,764
Total Uses	\$397,287,602	\$174,830,000	\$572,117,602

[†] Not offered by this Official Statement.

[‡] Includes underwriters' compensation, legal fees, certain bond insurance premiums and other costs of issuance. Premium is due annually on the Insured Bonds starting February 15, 2034.

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ESTIMATED ANNUAL DEBT SERVICE REQUIREMENTS

The following table sets forth, for each fiscal year of the Corporation ending December 31, the amount required to be deposited by the Corporation for the payment of principal of the Series 2024 Bonds and the other long-term indebtedness of the Corporation (other than the Prior Bonds) at maturity or by mandatory sinking fund redemption and the payment of interest thereon. (Numbers in certain rows and columns may not total due to rounding. Includes *de minimis* rounding adjustments.)

Fiscal Year Ending December 31,	Series 2024A Bonds		2024 Taxable Bonds		Other Long- Term Indebtedness Debt Service ⁽¹⁾	Aggregate Debt Service
	Principal	Interest	Principal	Interest		
2024	-	\$2,287,967	-	\$1,200,742	\$19,854,152	\$23,342,862
2025	\$2,000,000	19,105,075	-	10,052,725	45,048,176	76,205,976
2026	2,000,000	19,005,075	-	10,052,725	47,621,898	78,679,698
2027	1,990,000	18,905,325	-	10,052,725	49,723,848	80,671,898
2028	2,070,000	18,803,825	-	10,052,725	49,745,371	80,671,921
2029	75,000,000	16,877,075	-	10,052,725	49,755,387	151,685,187
2030	-	15,002,075	-	10,052,725	190,671,614	215,726,414
2031	6,195,000	14,847,200	-	10,052,725	49,573,943	80,668,868
2032	25,000,000	14,067,325	-	10,052,725	49,219,222	98,339,272
2033	2,130,000	13,389,075	-	10,052,725	55,099,238	80,671,038
2034	-	13,335,825	\$174,830,000	5,026,363	55,146,647	248,338,834
2035	12,465,000	13,008,619	-	-	55,196,232	80,669,851
2036	15,425,000	12,276,506	-	-	52,970,665	80,672,171
2037	-	11,871,600	-	-	51,450,891	63,322,491
2038	-	11,871,600	-	-	51,315,808	63,187,408
2039	-	11,871,600	-	-	51,137,171	63,008,771
2040	-	11,871,600	-	-	56,415,316	68,286,916
2041	-	11,871,600	-	-	59,241,277	71,112,877
2042	-	11,871,600	-	-	58,991,953	70,863,553
2043	-	11,871,600	-	-	58,804,229	70,675,829
2044	-	11,871,600	-	-	58,689,929	70,561,529
2045	-	11,871,600	-	-	58,541,994	70,413,594
2046	-	11,871,600	-	-	58,424,676	70,296,276
2047	-	11,871,600	-	-	58,247,980	70,119,580
2048	-	11,871,600	-	-	58,119,580	69,991,180
2049	-	11,871,600	-	-	57,976,835	69,848,435
2050	11,285,000	11,561,263	-	-	57,824,469	80,670,732
2051	41,870,000	10,099,500	-	-	28,700,125	80,669,625
2052	51,310,000	7,537,050	-	-	21,826,473	80,673,523
2053	17,920,000	5,633,225	-	-	57,118,715	80,671,940
2054	108,235,000	2,570,213	-	-	-	110,805,213
TOTAL	\$374,895,000	\$382,643,017	\$174,830,000	\$96,701,630	\$1,672,453,817	\$2,701,523,464

⁽¹⁾ An interest rate of 3.78% was assumed for calculating interest on the Wisconsin Health and Educational Facilities Authority Revenue Bonds, Series 2018A (Marshfield Clinic Health System, Inc.), and an interest rate of 5.46% was assumed for calculating interest on the Wisconsin Health and Educational Facilities Authority Revenue Bonds, Series 2020C (Marshfield Clinic Health System, Inc.).

BONDHOLDERS' RISKS

Some of the identifiable risks which should be considered when making an investment decision regarding the Series 2024A Bonds are discussed below. The discussion herein of risks to the owners (including the Beneficial Owners as defined in APPENDIX G) of the Series 2024A Bonds is not intended as dispositive, comprehensive or definitive, but rather is intended to summarize certain matters which could affect payment on the Series 2024A Bonds. Other sections of this Official Statement, as cited herein, should be referred to for a more detailed description of risks described in this section, which descriptions are qualified by reference to any documents discussed therein. Copies of all such documents are available for inspection at the designated corporate trust office of the Bond Trustee. The operations and financial condition of the Members of the Obligated Group may be affected by factors other than those described in this section and "REGULATION OF THE HEALTH CARE INDUSTRY" below and elsewhere in this Official Statement. No assurance can be given as to the nature of such factors or the potential effects thereof on the Members of the Obligated Group.

General

As set forth under the heading "SECURITY AND SOURCE OF PAYMENT FOR THE SERIES 2024A BONDS," the Series 2024A Bonds will constitute general obligations of the Corporation secured under the Bond Indenture by (i) the Tax-Exempt Bonds Master Note related to the Series 2024A Bonds; and (ii) the money and securities held by the Bond Trustee in certain of the funds under the Bond Indenture. The revenues and expenses of the Obligated Group are subject to, among other things, the capabilities of its management, the confidence of physicians in management, the availability of physicians and trained support staff, changes in the population or the economic condition of the Obligated Group's service areas, the level of and restrictions on federal funding of Medicare and federal and state funding of Medicaid, the imposition of government wage and price controls, the demand for the Members of the Obligated Group services, increased competition, reduced third-party reimbursement rates or delays in payment, government regulations and licensing requirements, continued federal and state funding, future economic conditions and other conditions which are unpredictable and may not be quantifiable or determinable at this time. No representation or assurance is given or can be made that revenues will be realized by the Obligated Group in amounts sufficient to pay debt service on the Series 2024A Bonds and the Tax-Exempt Bonds Master Note when due and to make payments necessary to meet the other obligations of the Obligated Group.

The discussion herein describes risks related to certain existing federal and state laws, regulations, rules and governmental administrative policies and determinations to which the Members of the Obligated Group and the health care industry are subject. Several of the federal statutes and regulations described herein may be substantially modified or repealed in whole or in part. The scope and effect of future legislation or judicial action cannot be predicted and there are no assurances that any such future legislation or judicial action will not have a material adverse effect on the Obligated Group's business or financial condition. In addition to statutory changes or judicial action, regulatory changes and executive actions could have a material adverse effect on the Obligated Group's business or financial condition. Accordingly, it is possible that the significant risk areas summarized under this caption "BONDHOLDERS' RISKS" will undergo significant change in the near term.

ADVERSE CONSEQUENCES ARISING FROM ONE OR MORE OF THE FOLLOWING RISKS, OR THE OCCURRENCE OF OTHER UNANTICIPATED EVENTS, COULD ADVERSELY AFFECT THE OPERATIONS OR FINANCIAL PERFORMANCE OF THE MEMBERS OF THE OBLIGATED GROUP. THIS DISCUSSION IS NOT, AND IS NOT INTENDED TO BE, EXHAUSTIVE. THE RISKS DISCUSSED BELOW SHOULD BE READ IN CONJUNCTION WITH THE DISCUSSION SET FORTH IN APPENDIX A – "MARSHFIELD CLINIC HEALTH SYSTEM, INC. AND AFFILIATES" AND THE DISCUSSION APPEARING UNDER THE CAPTION "REGULATION OF THE HEALTH CARE INDUSTRY" BELOW AND THE INFORMATION APPEARING ELSEWHERE IN THIS OFFICIAL STATEMENT.

General Economic Factors and Credit Market Disruptions

The U.S. economy is unpredictable. Economic downturns and other unfavorable economic conditions have previously impacted the health care industry and health care providers' business and financial condition. Broad economic factors – such as inflation, unemployment rates or instabilities in consumer demand and consumer spending or other factors – could affect the Obligated Group's volumes and its ability to sustain future profitability, and its

liquidity and ability to repay outstanding debt, including debt service on the Series 2024A Bonds, may be adversely affected. Other economic conditions that from time to time may adversely affect Obligated Group revenues and expenses, and consequently, its ability to make payments on the Tax-Exempt Bonds Master Note, include but are not limited to: (1) an inability to access financial markets on acceptable terms at a desired time, (2) significant investment portfolio losses, (3) increased business failures and consumer and business bankruptcies, (4) federal and state budget challenges resulting in reduced or delayed Medicare and Medicaid reimbursement, (5) a reduction in the demand for health care services or patient decisions to postpone or cancel elective and non-emergency health care procedures, (6) increased malpractice, casualty, and other insurance expenses, (7) reduced availability or affordability of health insurance, (8) a shortage of physician, nursing, or other professional personnel, (9) a shortage of medical supplies and critical care unit beds caused by a pandemic or other outbreak of infectious disease, (10) increased operating costs, (11) a reduction in the receipt of grants and charitable contributions, (12) unfavorable demographic developments in the Obligated Group's service areas, (13) unavailability of liquidity during periods of economic stress caused by delayed reimbursement or payment, or increased costs of liquidity facilities, or (14) increased competition from other health care institutions.

Nonprofit Health Care Environment

Each Member of the Obligated Group is a nonprofit corporation, and each is exempt from federal income taxation as an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"). As nonprofit tax-exempt organizations, the Members of the Obligated Group are subject to federal, state and local laws, regulations, rulings and court decisions relating to their organization and operation, including their operations for charitable purposes. At the same time, the Members of the Obligated Group conduct complex business transactions and are major employers in their geographic areas. There can often be a tension between the rules designed to regulate a wide range of charitable organizations and the day-to-day operations of a health care organization. Hospitals or other health care providers, such as the Members of the Obligated Group, may be forced to forego otherwise favorable opportunities for certain joint ventures, recruitment and other arrangements in order to maintain their tax-exempt status.

The operations and practices of nonprofit, tax-exempt health care providers are routinely challenged or criticized for inconsistency or inadequate compliance with regulatory requirements for, and societal expectations of, nonprofit tax-exempt organizations. These challenges in some cases are broader than concerns about compliance with federal and state statutes and regulations, such as Medicare and Medicaid compliance, and instead are examinations of core business practices of the health care organizations. A common theme of these challenges is that nonprofit hospitals may not confer community benefits that exceed or equal the benefit received from their tax-exempt status. Areas that have come under examination have included pricing practices, billing and collection practices, charitable care, methods of providing and reporting community benefit, executive compensation, exemption of property from real property taxation, private use of facilities financed with tax-exempt bonds and others. These challenges and questions have come from a variety of sources, including state attorneys general, the Internal Revenue Service (the "IRS"), labor unions, Congress, state legislatures, and patients, and in a variety of forums, including hearings, audits and litigation.

The following are some examples of the challenges and examinations facing nonprofit health care organizations. The challenges and examinations, and any resulting legislation, regulations, judgments, or penalties, could have a material adverse effect on Members of the Obligated Group.

Congressional Hearings and Investigations

A number of House and Senate Committees, including the House Committee on Energy and Commerce, the House Committee on Ways and Means and the Senate Finance Committee, have conducted hearings and/or investigations into issues related to nonprofit tax-exempt health care organizations. These hearings and investigations have included a nationwide investigation of hospital billing and collection practices, charity care and community benefit and prices charged to uninsured patients and possible reforms to the nonprofit sector.

Bond Examinations

The IRS has active programs auditing both the qualification of hospital organizations as Section 501(c)(3) organizations and the qualification of bonds issued for the benefit of such organizations as tax-exempt. The IRS may use detailed information required to be reported on IRS Form 990 - Return of Organizations Exempt From Income Tax (“*IRS Form 990*”) for this purpose.

IRS Examination of Compensation Practices and Community Benefit

For many years, the IRS has been concerned about executive compensation practices of tax-exempt hospitals. The IRS heavily scrutinizes executive compensation arrangements, practices and procedures of tax-exempt organizations, and in certain circumstances, may conduct further investigations or impose fines on tax-exempt organizations. IRS Form 990 requires detailed disclosure of compensation practices, corporate governance, loans to management and others, joint ventures and other types of transactions, political campaign activities, and other areas the IRS deems to be a compliance risk.

The IRS has also undertaken a community benefit initiative directed at hospitals. Schedules of IRS Form 990 also require the disclosure of information on community benefit, including reporting of information related to tax-exempt bonds, compliance with the arbitrage rules and rules limiting private-business use of bond-financed facilities, including compliance with the safe harbor guidance in connection with management contracts and research contracts. It is likely that the IRS will use such detailed information to assist in its enhanced enforcement efforts. See “Risks Related to Tax-Exempt Status of the Members of the Obligated Group – Maintenance of Tax-Exempt Status” below.

IRS Form 990 also requires details on how a hospital determines eligibility for free or discounted care (if the federal poverty guidelines are not used), descriptions of billing and collection practices permitted under the hospital facility’s policies, as well as information about the hospital’s emergency medical care policy.

Litigation Relating to Billing and Collection Practices

Lawsuits have been filed in both federal and state courts alleging, among other things, that hospitals have failed to fulfill their obligations to provide charity care to uninsured patients and have overcharged uninsured patients. Other cases have alleged that charging patients more for services furnished in a hospital-based setting is a wrongful or deceptive practice. As a result of these types of cases, some hospitals and health systems have entered into substantial settlement agreements.

Challenges to Real Property Tax Exemptions

The real property tax exemptions afforded to certain nonprofit health care providers by state and local taxing authorities are subject to scrutiny, and in some cases, have been challenged in court on the grounds that the health care providers were not engaged in sufficient charitable activities. These challenges have been based on a variety of grounds, including allegations of aggressive billing and collection practices, excessive financial margins and operations that closely resemble for-profit businesses. Several of these disputes have been determined in favor of the taxing authorities or have resulted in settlements. For example, a court in New Jersey decided that a nonprofit hospital should pay property taxes on almost all of its property because it did not meet the legal test that it operate as a nonprofit, charitable organization during certain years. The majority of the real property of the Members of the Obligated Group is currently treated as exempt from real property taxation. Although the real property tax exemptions of the Members of the Obligated Group with respect to core hospital facilities have not, to the knowledge of management, been under challenge or investigation, an audit could lead to a challenge that could adversely affect the real property tax exemptions of Members of the Obligated Group.

It is not possible to predict the scope or effect of future legislative or regulatory actions with respect to taxation of nonprofit corporations. There can be no assurance that future changes in the laws and regulations of state or local governments will not materially adversely affect the financial condition of the Obligated Group by requiring payment of income, local property or other taxes.

The Corporation has pursued and continues to pursue new or expanded tax exemptions in various locations and municipalities within its service area. These efforts have been largely successful in realizing additional tax savings through negotiated settlements and are expected to continue for the foreseeable future.

Attorneys General and Other State Oversight or Audits

State nonprofit corporations, including the Members of the Obligated Group, are subject to oversight and examination by the Attorneys General of the state in which the Obligated Group operates to ensure their charitable purposes are being carried out, that their fundraising and investment activities comply with state law and that the terms of charitable gifts are followed. In addition, state legislatures may direct state executive bodies to monitor or audit levels of charity care being provided by nonprofit hospitals.

Charity Care

The legislatures of some states have attempted to pass legislation mandating charity care levels or imposing other requirements relating to charity care. From time to time, Congress proposes new laws and the IRS proposes new regulations concerning the manner in which charity care is calculated or issues guidance concerning the level of charity care expected of an organization exempt from tax under Section 501(c)(3) of the Code. Management of the Corporation cannot predict whether legislation, regulations, or guidance will be implemented in the future and cannot predict the effect it may have on the Obligated Group's financial condition, though such effect may be material. Additionally, tax-exempt hospitals often treat large numbers of indigent patients who are unable to pay in full for their medical care. General economic conditions that affect the number of employed individuals who have health coverage affect the ability of patients to pay for health care.

Risks Related to Tax-Exempt Status of the Members of the Obligated Group

Maintenance of Tax-Exempt Status

The maintenance by an entity of its status as an organization described in Section 501(c)(3) of the Code is contingent upon compliance with general rules promulgated in the Code and related regulations regarding the organization and operation of tax-exempt entities, including their operation for charitable and educational purposes and their avoidance of transactions that may cause their assets to inure to the benefit of private individuals. Loss of tax-exempt status by a Member of the Obligated Group could result in loss of tax exemption of interest on the Obligated Group's outstanding tax-exempt bonds and defaults in covenants regarding such outstanding tax-exempt bonds would likely result. Such an event would also have other material adverse consequences on the business and financial condition of the Obligated Group. Management of the Corporation is not aware of any transactions or activities currently ongoing that are likely to result in the revocation of the tax-exempt status of any Member of the Obligated Group.

The IRS has announced that it intends to closely scrutinize transactions between not-for-profit corporations and for-profit entities, and in particular has issued audit guidelines for tax-exempt hospitals. As these general principles were developed primarily for public charities that do not conduct large-scale technical operations and business activities, they often do not adequately address the myriad of operations and transactions entered into by a modern health care organization. Although traditional activities of health care systems, such as medical office building leases and compensation arrangements and other contracts with physicians, have been the subject of interpretations by the IRS in the form of Private Letter Rulings, many activities have not been addressed in any official opinion, interpretation or policy of the IRS. Because the Members of the Obligated Group conduct operations involving private parties, there can be no assurances that certain of their transactions would not be challenged by the IRS. The Members of the Obligated Group participate in a variety of transactions with physicians either directly or indirectly. Management of the Corporation believes that the transactions to which Members of the Obligated Group are a party are consistent with the requirements of the Code as to tax-exempt status, but, as noted above, there is uncertainty as to the state of the law.

The Affordable Care Act ("ACA") also contains requirements for tax-exempt hospitals through Section 501(r) of the Code. Final regulations under Section 501(r) of the Code provide detailed and comprehensive guidance relating

to requirements for community health needs assessments, financial assistance policies, emergency medical care policies, limitations on charges and billing and collection practices, and also provide guidance on consequences of failure to satisfy Section 501(r) requirements. These final regulations are complex and are administratively burdensome. An organization's failure to meet one or more Section 501(r) requirements could endanger the organization's Section 501(c)(3) status as of the first day of the tax year in which a failure occurs. In addition, an organization may be subject to certain excise taxes if a hospital facility fails to maintain the requirements concerning community health needs assessments.

In certain cases, the IRS has imposed substantial monetary penalties and future charity care or public benefit obligations on tax-exempt hospitals in lieu of revoking their tax-exempt status, as well as requiring that certain transactions be altered, terminated or avoided in the future and/or requiring governance or management changes. These penalties and obligations are typically imposed on the tax-exempt hospital pursuant to a "closing agreement" with respect to the hospital's alleged violation of Section 501(c)(3) exemption requirements. Given the uncertainty regarding how tax-exemption requirements may be applied by the IRS, the Members of the Obligated Group are, and will be, at risk for incurring monetary and other liabilities imposed by the IRS through this "closing agreement" or similar process.

The IRS has periodically conducted audit and other enforcement activity regarding tax-exempt health care organizations. Certain audits are conducted by teams of revenue agents, often take years to complete and require the expenditure of significant staff time by both the IRS and the audited organization. These audits examine a wide range of possible issues, including tax-exempt bond financings, partnerships and joint ventures, unrelated business income tax, retirement plans and employee benefits, employment taxes, political contributions and other matters.

In recent years, the IRS has increased the frequency and scope of its audit and other enforcement activity regarding tax-exempt organizations. If the IRS were to find that a Member of the Obligated Group has participated in activities in violation of certain regulations or rulings, the tax-exempt status of such entity could be in jeopardy. Although the IRS has not frequently revoked the 501(c)(3) tax-exempt status of nonprofit corporations, it could do so in the future. Loss of tax-exempt status by a Member of the Obligated Group potentially could result in loss of tax exemption of the tax-exempt debt of the Obligated Group, and defaults in covenants regarding the tax-exempt debt and other obligations likely would be triggered. Loss of tax-exempt status also could result in substantial tax liabilities on income of the Obligated Group.

Tax-Exempt Status of Interest on Certain Indebtedness

The Code and related regulations, rulings and policies impose a number of requirements that must be satisfied for interest on state and local obligations to be excludable from gross income for federal income tax purposes. These requirements include limitations on the use of proceeds of bonds, limitations on the investment earnings of proceeds of bonds prior to expenditure, a requirement that certain investment earnings on proceeds of bonds be paid periodically to the United States, and a requirement that governmental issuers file an information report with the IRS. In each tax certificate and agreement pertaining to the issuance of such state and local obligations (each a "*Tax Agreement*"), the related governmental issuer and the Corporation or one or more other Members of the Obligated Group have covenanted to comply with such requirements. However, future failure by an issuer, the Corporation or a Member of the Obligated Group to fulfill their respective obligations under a Tax Agreement may be an event of default and result in the inclusion of interest on such obligations in gross income for federal income tax purposes, possibly retroactive to their date of issuance.

For a discussion of certain tax matters relating to the Series 2024A Bonds, see the discussion under the heading "TAX MATTERS".

IRS officials have indicated that more resources will be invested in audits of tax-exempt obligations, including the use of tax-exempt obligation proceeds, in the charitable organization sector, with specific review of private use. In addition, the IRS has from time to time sent questionnaires to several hundred nonprofit corporations that have borrowed on a tax-exempt basis, inquiring about post-issuance compliance with various requirements for maintaining the federal tax exemption of interest on their tax-exempt obligations. The questionnaire includes questions relating to the borrower's (i) record retention, which the IRS has particularly emphasized, (ii) qualified use of bond-

financed property, (iii) arbitrage yield restriction and rebate requirements, (iv) debt management policies, and (v) voluntary compliance and education.

The opinions of nationally recognized bond counsel delivered on the date that bonds are issued are not a guarantee of a result and are not binding on the IRS, any State, or the courts, and such opinions speak only as of their respective date of delivery. No private letter ruling has been sought from the IRS with respect to the interest on the Series 2024A Bonds. There is no assurance that an IRS examination will not adversely affect the market price for, or the marketability of, state or local obligations issued to make loans to one or more Members of the Obligated Group and any such examination may cause the Obligated Group and/or the holders of such bonds to incur significant expense.

Unrelated Business Income

In recent years, the IRS and state, county and local tax authorities have audited the operations of tax-exempt hospitals and health care systems with respect to their exempt activities and the generation of unrelated business taxable income (“UBTI”). Most hospitals and health care systems participate in activities that may generate UBTI. An investigation or audit could result in assessment of taxes, interest and penalties with respect to unreported UBTI and in some cases ultimately could affect the tax-exempt status of such entity, as well as the exclusion from gross income for federal income tax purposes of the interest payable on tax-exempt debt of the Obligated Group.

Limitations on Contractual and Other Arrangements Imposed by the Internal Revenue Code

As tax-exempt organizations, the Members of the Obligated Group are limited with respect to the use of practice income guarantees, reduced rent on medical office space, low interest loans, joint venture programs and other means of recruiting and retaining physicians. The IRS scrutinizes a broad variety of contractual relationships commonly entered into by hospitals and has issued a detailed audit guide suggesting that field agents scrutinize numerous activities of the hospitals in an effort to determine whether any action should be taken with respect to limitations on or revocation of their tax-exempt status or assessment of additional tax. Any suspension, limitation, or revocation of the tax-exempt status of a Member of the Obligated Group or assessment of significant tax liability would have a materially adverse effect on the financial condition or operations of the Members of the Obligated Group.

Cost of Capital

From time to time, Congress has considered and is considering revisions to the Code that may prevent or limit access to the tax-exempt debt market by borrowers such as the Members of the Obligated Group. Such legislation, if enacted into law, may have the effect of materially increasing the costs of capital to the Obligated Group.

COVID-19 Pandemic and Other Public Health Emergencies

The financial and operational strain on hospitals and health systems caused by the COVID-19 pandemic has lessened as a result of increased vaccinations and public health measures. However, the occurrence of a health emergency or crisis, including a global pandemic or national or localized outbreak of an infectious disease such as COVID-19, Ebola, Zika, or H1N1, may put stress on the capacity of part or all of the facilities of the Obligated Group, could require resources be diverted from one Obligated Group operation to another, could disrupt the supply chain for equipment and supplies necessary for facility operations, or could otherwise impair the operations of part or all of the facilities of the Obligated Group.

In the future, continued treatment of COVID-19 and its related variants or another highly contagious disease at the Obligated Group’s facilities may adversely affect the Obligated Group’s operations and financial performance in various ways, including but not limited to (1) an overburdening of facilities, (2) a quarantine, temporary shutdown or diversion of patients, (3) a disruption in the production or supply of pharmaceuticals, medical supplies and protective equipment and increases in the costs of such products, (4) professional or non-professional staff shortages or illnesses, (5) an increase in overhead costs due to additional costs incurred related to adjustments to the use of various facilities and to staffing during the outbreak, including overtime wages, mandated sick pay, and the use of more expensive contract staff to provide care, (6) significantly delayed payments from third-party payors, (7) increased

numbers of professional liability lawsuits, (8) a larger number of uninsured patients due to increased unemployment rates, and (9) reduced patient volumes and operating revenues due to unaffected individuals deferring elective procedures or otherwise avoiding medical treatment.

Security and Enforceability

Enforceability of the Master Indenture and Master Notes

The obligation of the Corporation and any current or future Member of the Obligated Group to make payments on the Tax-Exempt Bonds Master Note will be limited as the obligations of debtors typically are affected by bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or other similar laws or by equitable principles affecting the enforcement of creditors' rights. See “– *Enforceability of Remedies; Bankruptcy*” below.

The accounts of the Corporation, its consolidated subsidiaries and any current or future Member of the Obligated Group will be combined for financial reporting purposes and will be used in determining whether various covenants and tests contained in the Master Indenture are met, notwithstanding uncertainties as to the enforceability of certain obligations contained in the Master Indenture. Such uncertainties bear on the availability of the assets of the Members of the Obligated Group for payment of debt service on Master Notes issued under the Master Indenture, including the Tax-Exempt Bonds Master Note. In addition, such obligation may not be enforceable against such future Member of the Obligated Group (i) if the purposes for which the Master Notes are issued are not consistent with the charitable purposes of such Member of the Obligated Group from which payment is requested or if, at the time of payment thereunder by such other Member, the Corporation is not then a tax-exempt organization, (ii) if such payments are requested to be made from any moneys or assets which are donor restricted or which are subject to a direct or express trust which does not permit the use of such moneys or assets for such a payment, (iii) if such payments would result in the cessation or discontinuation of any material portion of the health care or related services previously provided by such Member of the Obligated Group or (iv) if such payments are requested to be made pursuant to any loan violating applicable usury laws.

There is no clear precedent in the law as to whether such payments or use of assets by a Member of the Obligated Group in order to pay Master Notes issued under the Master Indenture, or portions thereof, the proceeds of which Master Notes issued under the Master Indenture were not lent or otherwise disbursed to such person, to the extent that such payment or use would render such person insolvent, may be voided by a trustee in bankruptcy in the event of a bankruptcy of such person, or by third party creditors in an action brought pursuant to Wisconsin fraudulent conveyance statutes. Under the United States Bankruptcy Code (the “*Bankruptcy Code*”), a trustee in bankruptcy and, under Wisconsin fraudulent conveyance statutes, a creditor of a related guarantor, may avoid any obligation incurred by a related guarantor if, among other bases therefor, (1) the guarantor has not received fair or valuable consideration or reasonably equivalent value in exchange for the guaranty or grossly inadequate consideration is received for the guaranty and (2) the guaranty renders the guarantor insolvent or is made while the guarantor is insolvent, as defined in the Bankruptcy Code, as amended, or Wisconsin fraudulent conveyance statutes, or the guarantor is undercapitalized.

Application by courts of the tests of “insolvency,” “reasonably equivalent value” and “fair consideration” has resulted in a conflicting body of case law. It is possible that, in an action to force a Member of the Obligated Group to make a payment on a Master Note issued under the Master Indenture, including the Tax-Exempt Bonds Master Note, for which it was not a direct beneficiary a court might not enforce such a payment in the event it is determined that the Member of the Obligated Group against which payment is sought is analogous to a guarantor of the debt of the Member of the Obligated Group who benefited from the borrowing and that sufficient consideration was not received or that the incurrence of such obligation has rendered or will render the Member of the Obligated Group insolvent.

In addition, there exists common law authority and authority under state statutes for the ability of the state courts to terminate the existence of a nonprofit corporation or undertake supervision of its affairs on various grounds, including a finding that such corporation has insufficient assets to carry out its stated charitable purposes or has taken some action which renders it unable to carry out such purposes. Such court action may arise on the court's own motion or pursuant to a petition of the state attorney general or such other persons who have interests different from those of

the general public, pursuant to the common law and statutory power to enforce charitable trusts and to see to the application of their funds to their intended charitable uses.

Limitation of Value on Mortgaged Property

The Mortgaged Property is not comprised of general purpose buildings and would not generally be suitable for industrial or commercial use. Consequently, it might be difficult to find a buyer or lessee for the Mortgaged Property if it were necessary to foreclose on the Mortgaged Property. Thus, upon any default, it may not be possible to realize the outstanding interest on and principal on all outstanding indebtedness including the Series 2024A Bonds from a sale or lease of the Mortgaged Property.

Concurrently with the delivery of the Series 2024A Bonds, the Obligated Group will deliver to the Master Trustee a title insurance policy with respect to the Mortgaged Property. Title insurance policies by their nature contain a variety of exclusions and limitation such as liens that are pre-existing, not of public record or losses related to matters outside of coverage, including in certain cases losses relating to matters that could be revealed on a survey of the subject property. As a result, there is a risk to the Obligated Group of losses caused by defect in title, unmarketability of title, statutory liens, unenforceability of the mortgage lien, priority of the mortgage or other matters covered by the title insurance policy. For a description of the Mortgage, see “SECURITY AND SOURCE OF PAYMENT FOR THE SERIES 2024A BONDS – The Master Indenture – *Mortgage*”.

In addition, under applicable environmental law, in the event of any past or future releases of pollutants or contaminants on or near the Mortgaged Property, a lien superior to the lien of the Mortgage could attach to the Mortgaged Property to secure the costs of removing or otherwise treating such pollutants or contaminants. Such a lien could adversely affect the ability to realize sufficient amounts to pay all outstanding indebtedness including the Series 2024A Bonds in full.

Amendments to Documents

Certain amendments to the Master Indenture may be made without the consent of the owners of the Master Notes. Certain other amendments to the Master Indenture may be made with the consent of the owners of not less than a majority of the aggregate principal amount of the outstanding Master Notes. Amendments to the Master Indenture may be obtained with the consent of the owners of Master Notes other than the Master Note relating to the Series 2024A Bonds. The Bond Trustee is considered the holder of the Master Note relating to the Series 2024A Bonds. Certain amendments to the Bond Indenture may be made with the consent of the owners of not less than a majority of the outstanding principal amount of the Series 2024A Bonds. Such amendments may adversely affect the security of owners of the Series 2024A Bonds.

Enforceability of Remedies; Bankruptcy

The obligations of the Members of the Obligated Group under the Master Indenture and the Tax-Exempt Bonds Master Note are general obligations of the Members of the Obligated Group secured by a uniform commercial code security interest granted to the Master Trustee in the Gross Revenues of the Obligated Group. Enforcement of the remedies described in “SUMMARY OF THE MASTER INDENTURE AND THE TAX-EXEMPT BONDS SUPPLEMENT – The Second Amended and Restated Master Trust Indenture – Defaults and Remedies” in APPENDIX C hereto may be limited or delayed in the event of application of federal bankruptcy laws or other laws affecting creditors’ rights and may be substantially delayed and subject to judicial discretion in the event of litigation or the required use of statutory remedial procedures.

If a Member of the Obligated Group were to file a petition for relief under the Bankruptcy Code, the filing would operate as an automatic stay of the commencement or continuation of any judicial or other proceeding against such a Member of the Obligated Group and any interest it has in property. If a bankruptcy court so ordered, such property of the Member of the Obligated Group, including its accounts receivable and proceeds thereof, could be used, at least temporarily, for the benefit of the bankruptcy estate of the Member of the Obligated Group despite the claims of its creditors.

In a case under the Bankruptcy Code, a Member of the Obligated Group could file a plan of reorganization. The plan is the vehicle for satisfying, and provides for the comprehensive treatment of, all claims against such Member of the Obligated Group, and could result in the modification of rights of any class of creditors, secured or unsecured. To confirm a plan of reorganization, with one exception discussed below, it must be approved by the vote of each class of impaired creditors. A class approves a plan if, of those who vote, those holding more than one-half in number and two-thirds in amount vote in favor of a plan. Approval by classes of interests requires a vote in favor of the plan by two-thirds in amount. If these levels of votes are attained, those voting against the plan or not voting at all are nonetheless bound by the terms thereof. Other than as provided in the confirmed plan, all claims and interests are discharged and extinguished. If less than all of the impaired classes accept the plan, the plan may nevertheless be confirmed by the bankruptcy court, and the dissenting claims and interests would be bound thereby. For this to occur, one of the impaired classes must vote to accept the plan and the bankruptcy court must determine that the plan does not “discriminate unfairly” and is “fair and equitable” with respect to the nonconsenting class. A plan is fair and equitable if each class is treated in accordance with its credit priority and no class receives a distribution until senior classes are paid in full. The Bankruptcy Code establishes different fair and equitable tests for secured claims and interest holders. To be confirmed, the bankruptcy court must also determine that a plan, among other requirements, provides creditors with more than would be received in the event of liquidation, is proposed in good faith, and the debtor’s performance is feasible.

Market Risks and Interest Rate Swaps

The Members of the Obligated Group have significant holdings in a broad range of investments. Market fluctuations have affected and will continue to affect the value of those investments and those fluctuations may be, and historically have been, material. Market disruptions have exacerbated the market fluctuations and have negatively affected the investment performance of securities in the Obligated Group’s portfolio over certain time periods. Investment income (including both realized and unrealized gains on investments) has contributed significantly to the Obligated Group’s financial results over recent years.

Market for the Series 2024A Bonds

Subject to prevailing market conditions, the Underwriters intend, but are not obligated, to make a market in the Series 2024A Bonds. There is presently no secondary market for the Series 2024A Bonds and no assurance can be given that a secondary market will develop. Consequently, investors may not be able to resell the Series 2024A Bonds purchased should they need or wish to do so.

Ratings

There can be no assurance that the ratings assigned to the Series 2024A Bonds at the time of issuance will not be lowered or withdrawn at any time, the effect of which could adversely affect the market price for and marketability of the Series 2024A Bonds. See the information under the heading “RATINGS.”

Future Legislation Regarding Limitations or Elimination of Tax-Exempt Status

Future tax legislation, administrative actions taken by tax authorities or court decisions, whether at the federal or state level, may adversely affect the tax-exempt status of interest on the Series 2024A Bonds under federal or state law or otherwise prevent beneficial owners of the Series 2024A Bonds from realizing the full current benefit of the tax status of such interest. In addition, such legislation, administrative actions and court decisions could affect the market price or marketability of the Series 2024A Bonds. Prospective investors should consult with their tax advisors on the foregoing matters as they consider an investment in the Series 2024A Bonds.

Variable Rate and Put Exposure

Certain bonds outstanding as of the date of this Official Statement issued for the benefit of the Members of the Obligated Group are variable rate obligations (“*Variable Rate Bonds*”), the interest rates on which could rise. Such interest rates vary on a periodic basis and may be converted to a fixed interest rate. This protection against rising interest rates is not unrestricted, however, because the Obligated Group would be required to continue to pay interest

at the variable rate until such obligations are converted to a fixed rate pursuant to the terms of the applicable transaction documents. Turmoil in the financial markets and supply-demand imbalances have in the past triggered sudden and significant increases in interest costs for many issuers (and conduit borrowers) of taxable and tax-exempt debt, and such market dislocations may occur in the future.

Certain bonds outstanding as of the date of this Official Statement issued for the benefit of the Members of the Obligated Group bear interest in a long-term fixed rate period and are subject to mandatory tender by the holders at a stated future date. Upon such mandatory tender, if such bonds cannot be remarketed following their tender, the Corporation is required to pay the purchase price of such tendered and unremarketed bonds.

Interest Rate Swaps

Certain Members of the Obligated Group may utilize interest rate hedges, or swap agreements, to manage exposure to interest rate fluctuations. Swap agreements are subject to periodic “mark-to-market” valuations and may, at any time, have a negative value (which could be substantial) to the applicable Member of the Obligated Group. Changes in the market value of such swap agreements could negatively or positively impact the operating results and financial condition of the applicable Member of the Obligated Group, and such impact could be material. Any of the swap agreements to which a Member of the Obligated Group is a party may be subject to early termination upon the occurrence of certain specified events. If either the applicable Member of the Obligated Group or the counterparty terminates such an agreement when the agreement has a negative value to the applicable Member of the Obligated Group, the applicable Member of the Obligated Group could be obligated to make a termination payment to the applicable swap counterparty in the amount of such negative value, and such payment could be substantial and potentially materially adverse to the financial condition of the applicable Member of the Obligated Group. In the event of an early termination of a swap agreement, there can be no assurance that (i) the applicable Member of the Obligated Group will receive any termination payment payable to it by the respective swap provider, (ii) the applicable Member of the Obligated Group will not be obligated to or will have sufficient monies to make a termination payment payable by it to the applicable swap provider, or (iii) the applicable Member of the Obligated Group will be able to obtain a replacement swap agreement with comparable terms. For information about the swap agreements to which the Members of the Obligated Group are a party, *see* APPENDIX B – “AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF MARSHFIELD CLINIC HEALTH SYSTEM, INC. AND SUBSIDIARIES – Note 10 – Long-Term Debt”.

Certain swap agreements entered into by the Obligated Group may require that the Obligated Group secure its obligations under such agreements by pledging collateral. The ability of the Obligated Group to pledge its assets is limited by the Master Indenture. If the Obligated Group were unable to pledge sufficient collateral, the counterparty would have the right to terminate the swap agreement.

Swap Counterparty and Credit Provider Master Notes

The Obligated Group has entered into lines of credit or similar agreements with certain commercial banks and swap agreements with bank counterparties (collectively, the “Banks”). The Obligated Group may also enter into similar agreements in the future (collectively, the “Bank Agreements”). The Obligated Group’s obligations to such Banks are secured, or may be secured, by Master Notes issued under the Master Indenture. Failure by the Obligated Group to make payments due on the Tax-Exempt Bonds Master Note, or failure by the Obligated Group to comply with the applicable Bank Agreements could cause an Event of Default under the Master Indenture and result in the acceleration of such Master Notes, if such acceleration is provided for in the related supplement.

Patient Service Revenues

General

Net patient service revenues realized by the Members of the Obligated Group are derived from a variety of sources and will vary among the individual facilities owned and operated by the Members of the Obligated Group and also among the various market areas and regions in which such facilities are located. A substantial portion of the net patient service revenues of the Members of the Obligated Group is derived from third-party payors. These third-party

payors include Medicare, Medicaid and commercial health plans and insurers, including managed care organizations such as health maintenance organizations (“HMOs”) and preferred provider organizations (“PPOs”). Many third-party payor programs make payments to Members of the Obligated Group in amounts that may not reflect the direct and indirect costs of the Members of the Obligated Group in providing services to the insured patients. Federal deficit reduction efforts have slowed the growth of federal Medicare and Medicaid spending, as discussed below. Additionally, the financial performance of the Obligated Group has been, and in the future could be, adversely affected by the financial position or the insolvency or bankruptcy of or other delay in receipt of payments from third-party payors.

Governmental Payor Programs

Health care providers have been and continue to be affected significantly by changes made in the last several years to federal and state health care laws and regulations, particularly those pertaining to Medicare and Medicaid. The purpose of much of this statutory and regulatory activity has been to reduce the rate of increase in health care costs, particularly costs paid under the Medicare and Medicaid programs. In addition to ongoing and future payment reform measures resulting from the ACA and other health care reform efforts, the Medicare and Medicaid programs are subject to: (1) other statutory and regulatory changes, administrative rulings, interpretations and determinations concerning patient eligibility requirements, funding levels, and the method of calculating payments or reimbursement rates, (2) requirements for utilization review, and (3) federal and state funding restrictions and challenges, including as exacerbated by the COVID-19 pandemic. Any of these factors could materially decrease payments from these government programs in the future, as well as affect the cost of providing services to patients and the timing of reimbursement. *See* “REGULATION OF THE HEALTH CARE INDUSTRY – Federal and State Legislation; National Health Care Reform” below for additional discussion of risks related to Medicare and Medicaid reimbursement.

See APPENDIX A – “SELECTED STATISTICAL AND FINANCIAL INFORMATION – Sources of Patient Service Revenue” for a breakdown of payment sources including Medicare and Medicaid.

Commercial Third-Party Payors

The Obligated Group’s ability to develop and expand its services and, therefore, its operating margins is dependent upon its ability to enter into contracts with commercial third-party payors at competitive rates. There can be no assurance that it will be able to attract commercial third-party payors, and where it does, no assurance that it will be able to contract with such payors on advantageous terms. The inability of the Obligated Group to contract with a sufficient number of such payors on advantageous terms would have a material adverse effect on the Obligated Group’s business and financial condition. Additionally, commercial third-party payors are increasingly attempting to control health care costs through increased utilization reviews, greater enrollment in managed care programs, such as HMOs and PPOs, and directly contracting with hospitals to provide services on a discounted basis. The trend toward consolidation among private managed care payors tends to increase their bargaining power over prices and fee structures. Other health care providers, including some with greater financial resources, greater geographic coverage or a wider range of services, may compete with the Obligated Group for opportunities with commercial insurers. For example, competitors may negotiate exclusivity provisions with certain managed care plans or otherwise restrict the ability of managed care companies to contract with Obligated Group providers. There can be no assurance that the Obligated Group will be able to continue to attract commercial third-party payors, or that it will be able to contract with such payors on advantageous terms.

The ACA imposes, over time, increased regulation of the industry, the use and availability of state-based exchanges in which health insurance can be purchased by certain groups and segments of the population, the extension of subsidies and tax credits for premium payments by some consumers and employers, and the imposition upon commercial insurers of certain terms and conditions that must be included in contracts with providers. In addition, the ACA imposes many new obligations on states related to health care insurance. It is unclear how the increased federal oversight of state health care may affect future state oversight or affect the Obligated Group. The effects of these changes upon the financial condition of any third-party payor that offers health care insurance, rates paid by third-party payors to providers and, thus, the revenues of the Obligated Group, and upon the operations, results of operations and financial condition of the Obligated Group cannot be predicted.

Value-Based Care and Alternative Payment Models

The health care industry is under pressure from the federal and state governments and managed care plans to transition from fee for service methods of payment to “value-based care.” Accordingly, alternative payment models such as value-based purchasing programs that condition reimbursement on patient outcome measures, are becoming more common and involve a higher percentage of reimbursement amounts. As discussed below in “REGULATION OF THE HEALTH CARE INDUSTRY”, the ACA contains a number of health care delivery reform measures intended to promote value-based purchasing in the federal health care programs and commercial third-party payors are increasingly implementing value-based purchasing and other alternative payment models. This rapid volume-to-value reimbursement shift could present financial challenges for the Obligated Group and the employed or contracted clinicians with whom the Obligated Group partners to deliver care, particularly to the extent they are unable to meet targeted measures. There can be no assurance that management will be able to reduce the Obligated Group’s cost structure sufficiently quickly enough to align with potentially decreased revenues from a value-based care model, or that the Obligated Group will otherwise adapt to value-based care incentives sufficiently quickly to maintain positive financial results.

To keep pace with industry trends, many hospitals and health systems are pursuing clinical integration strategies or other joint ventures with physician groups in order to offer an integrated package of health care services to patients and health care insurers. These integration strategies may take many forms, including (1) accountable care organizations (“ACOs”) – organizations typically composed of a hospital and certain other health care providers that coordinate patient care and tie payment for that care to the achievement of quality metrics, (2) management service organizations – organizations that provide physicians or physician groups with a combination of financial and managed care contracting services, office and equipment, office personnel and management information systems, (3) physician-hospital organizations - organizations which are typically jointly owned or controlled by a hospital and physician group for the purpose of managed care contracting, implementation and monitoring, and (4) hospital-based clinics or medical practice foundations, which may purchase and operate physician practices as well as provide all administrative services to physicians. Often the start-up capitalization for such structures, as well as operational deficits, are funded by the sponsoring hospital or health system. Depending on the size and organizational characteristics of a particular strategy, these capital requirements may be substantial. In some cases, the sponsoring hospital or health system may be asked to provide a financial guarantee for the debt of a related entity that is carrying out an integrated delivery strategy. In certain of these structures, the sponsoring hospital or health system may have an ongoing financial commitment to support operating deficits, which may be substantial on an annual or aggregate basis. In addition, participating physicians may seek their independence for a variety of reasons, thus putting the hospital or health system’s investment at risk and potentially reducing its managed care leverage and/or overall utilization. If an integrated delivery system structure is not functionally successful, it may produce materially adverse results that are counterproductive to some or all of its goals.

Joint venture and integrated delivery strategies carry with them the potential for legal or regulatory risks in varying degrees. Such ventures or strategies may call into question compliance with the federal fraud and abuse laws, relevant antitrust laws and federal or state tax-exemption. Such risks will turn on the facts specific to the implementation, operation or future modification of any integrated delivery system. In addition, depending on the type of structure, a wide range of governmental billing and other issues may arise, including questions of the authorization of the entity to bill for or on behalf of the physicians involved. Other related legal and regulatory risks may arise, including employment, pension and benefits, requirements for risk-bearing organizations and corporate practice of medicine, particularly in the current atmosphere of frequent and often unpredictable changes in federal and state legal requirements regarding health care and medical practice. The ability of hospitals or health systems to conduct integrated physician operations may also be altered or eliminated in the future by legal or regulatory interpretation or changes or by health care fraud enforcement. Management of the Corporation believes that current joint ventures and integrated care arrangements to which Members of the Obligated Group are a party are in material compliance with applicable state and federal health care regulatory laws. Nevertheless, there can be no assurance that the Obligated Group’s joint ventures or integrated delivery models will not be subject to investigation or otherwise found to be in violation of applicable health care rules and regulations.

Managed Care Organizations

HMOs, PPOs and other managed health care systems (collectively, “*Managed Care Organizations*”) are providers of health care coverage significantly different from traditional commercial insurers. Managed Care Organizations represent a broad continuum of systems generally designed to favorably affect the cost, the site and/or the utilization of health care services from a patient standpoint. As such, they include HMOs, which generally accept uniform per-employee payments from employers and/or employees with fees based on the number of enrollees and in return agree to provide all, or substantially all, of an enrollee’s health care needs, and PPOs, which generally negotiate favorable prices with providers and thus create preferred provider arrangements. Managed Care Organizations often rely upon case management analysis to reduce utilization of health care services, including discouraging an enrollee’s admission to a hospital unless determined to be absolutely necessary. As Managed Care Organizations’ enrollment increases, such entities also become significant purchasers of health care services from hospitals and other providers enabling negotiation of separate pricing terms and selection of health providers offering the most cost-effective services. Such case and cost management efforts on behalf of Managed Care Organizations may adversely affect utilization of the facilities and/or patient revenues of the Obligated Group.

Most Managed Care Organizations pay health care facilities on a negotiated fee-for-service basis or on a discounted fixed rate per day of inpatient care. The discounts offered to Managed Care Organizations may result in payment at less than actual cost and the volume of patients directed to a health care facility under a Managed Care Organization’s contract may vary significantly from projections. In cases where a Managed Care Organization is a major purchaser of services from a particular health care facility operated by a Member of the Obligated Group, a contract rate reduction, contract cancellations, inability to pay, failure to make prompt payment, difficulty in meeting solvency thresholds, business failure or bankruptcy of the Managed Care Organization may have a substantial negative effect on the Obligated Group’s financial condition.

Some Managed Care Organizations employ a “capitation” payment method under which health care providers are paid a predetermined periodic rate for each enrollee in the Managed Care Organization who is “assigned” or otherwise directed to receive care from a particular health care provider. The health care provider may assume financial risk for the cost and scope of institutional care provided. If payment is insufficient to meet the health care provider’s actual cost of care, or if utilization by such enrollees materially exceeds projections, the financial condition of the health care provider could erode rapidly and significantly. In addition to the standard Managed Care Organization risk sharing approach, private health insurance companies are increasingly adopting various additional risk sharing/cost containing measures, sometimes similar to those introduced by government payors. Health care providers may expect health care cost containment and its associated risk sharing to continue to increase in the coming years among all payors.

Managed Care Organizations that experience financial pressure may slow payment to providers, withhold pay entirely, or utilize claims payment methodology that systematically reduces compensation on a per claim basis. Managed Care Organizations that become insolvent may seek either federal bankruptcy or state insurance insolvency protection. Such bankruptcy or insurance insolvency protection may require that providers repay certain claims to the Managed Care Organization, or result in certain claims becoming uncollectible. It is not possible at this time to predict the future of the managed care industry in general or of specific Managed Care Organizations, or to predict what impact the state of the financial health of such organizations might have on the Obligated Group.

Often, managed care contracts are enforceable for a stated term, regardless of health care organization losses and may require health care organizations to care for enrollees for a certain time period, regardless of whether the payor is able to pay the health care organization. Health care organizations from time to time have disputes with Managed Care Organizations concerning payment and contract interpretation issues. Such disputes may result in mediation, arbitration, litigation or contract termination.

Failure to maintain contracts could have the effect of reducing a health care organization’s market share and net patient services revenues. Conversely, participation may result in lower net income if participating health care organizations are unable to adequately contain their costs. In part to reduce costs, health plans are increasingly implementing, and offering to purchasing employers, tiered provider networks, which involve classification of a plan’s network providers into different tiers based on care quality and cost. With tiered benefit designs, plan enrollees are generally encouraged, through incentives or reductions in copayments or deductibles, to seek care from providers in

the top tier. Classification of a health care provider in a non-preferred or lower tier by a significant payor may result in a material loss of volume.

Many private health plans and Managed Care Organizations are mirroring federal initiatives to encourage providers to be more accountable for patient care by tying reimbursement to the quality and value provided to beneficiaries. Managed Care Organizations are increasingly implementing “narrow networks” which limit the in-network providers available to enrollees in an effort to contain costs. Managed Care Organizations often look at quality performance and cost in selecting providers to participate in their narrow networks. A provider’s exclusion from a narrow network may result in a material loss of volume. Managed Care Organizations may offer lower reimbursement for providers in their narrow network(s) in exchange for additional volume expected from being one of a select group of network providers. This reimbursement may be insufficient to cover a network provider’s cost in providing the services. The new demands of dominant health plans and other shifts in the managed care industry may also reduce patient volume and revenue.

In addition, the current trend of consolidation in the health insurance industry is likely to increase the leverage of commercial insurers when negotiating rates with health care providers. Large health insurers that assume dominant positions in local markets threaten to increase health insurer concentration, reduce competition and decrease choice. If a Member of the Obligated Group were to terminate its agreement with any of the major managed care payors or not agree to terms proposed by such payors, or if the payors were to exit the regional marketplace in some or all of their product lines, it could have a significant material adverse effect on the financial condition of the Obligated Group.

Federal Budget

The effect of future government health care funding or federal deficit policy changes on the Obligated Group’s business or financial condition is unpredictable. If reimbursement rates paid by governmental payors are reduced or if the scope of services covered by governmental payors is limited, there could be a material adverse effect on the Obligated Group’s business or financial condition. Past federal legislation and policy aimed at federal deficit reduction have resulted in across-the-board federal program spending reductions. With no long-term resolution in place for federal deficit reduction, Medicare and Medicaid reimbursement may continue to be targets for interim and long-term federal reduction efforts. Congress could act to extend or increase Medicare and Medicaid spending reductions in the future.

Federal Debt Ceiling

The federal government is subject to a debt “ceiling” established by Congress. In the past several years political disputes concerning authorization of a federal debt ceiling increase have led to shutdowns of substantial portions of the federal government and other federal budget authorization delays have occurred. Federal budget delays and federal government shutdowns are unpredictable and may occur in the future. The most recent debt ceiling bill passed by Congress suspends the debt ceiling until 2025. In the future, any failure by Congress to increase the federal debt ceiling, federal budget authorization delays, federal government shutdowns, or other political challenges may cause Medicare or Medicaid reimbursements to be further reduced or paid late, which effects may have a material adverse effect on the Obligated Group’s business or financial condition.

State and Local Budgets

Many states face budgetary challenges that have resulted, and likely will continue to result, in reduced Medicaid funding levels to hospitals and other health care providers. Because most states are required to operate with balanced budgets, and the Medicaid program is generally a significant portion of a state’s budget, states can be expected to adopt or consider adopting future legislation designed to reduce or freeze Medicaid expenditures. In addition, some states delay issuing Medicaid payments to providers to manage state expenditures. Continuing pressure on state budgets, state budget authorization delays, and other factors could result in future reductions to Medicaid payments, payment delays or additional taxes on hospitals. In addition, legislative proposals to cap the federal share of Medicaid expenditures or “block grant” the Medicaid program would further shift rising cost risk to the states, exacerbating state budget challenges, and potentially resulting in decreased payments to providers or a reduction in the services covered by Medicaid. Either effect may have a material adverse effect on a provider’s business or financial condition.

Licensing, Certification and Accreditation Requirements

The health care facilities of the Members of the Obligated Group are subject to numerous legal, regulatory, professional and private licensing, certification and accreditation requirements. These may be affected by regulatory action and policy changes by governmental and private agencies that administer Medicare, Medicaid and other third-party payment programs, as well as action by, among others, accrediting bodies such as The Joint Commission, Det Norske Veritas (DNV) and federal, state and local government agencies. Renewal and continuation of certain of these licenses, certifications and accreditations are based on inspections or other reviews generally conducted in the normal course of business of health facilities. Actions in any of these areas could result in a reduction in utilization, revenues or both, or the inability of the Members of the Obligated Group (or future Members of the Obligated Group) to operate all or a portion of such facilities or to bill various third-party payors, and, consequently, could materially adversely affect Members of the Obligated Group.

Malpractice and General Liability Insurance

In recent years, the number of malpractice and general liability suits and the dollar amount of damage recoveries have increased nationwide, resulting in substantial increases in insurance premiums. Actions alleging wrongful conduct and seeking punitive damages are often filed against hospitals. Litigation may also arise from the corporate and business activities of the Obligated Group, including employee-related matters, medical staff and provider network matters and denials of medical staff and provider network membership and privileges. As with professional liability, many of these risks are covered by insurance, but some are not. For example, some antitrust claims, business disputes and workers' compensation claims are not covered by insurance or other sources and, in whole or in part, may be a liability of the Obligated Group if determined or settled adversely. Claims for punitive damages may not be covered by insurance under certain state laws. Although the Obligated Group currently maintains actuarially determined self-insurance reserves and carries excess malpractice and general liability insurance which management considers adequate, management is unable to predict the availability, cost or adequacy of such insurance in the future.

The State of Wisconsin created a Wisconsin Injured Patients and Families Compensation Fund (the "*Compensation Fund*") to pay professional malpractice claims against Wisconsin healthcare providers to the extent such claims result in awards in excess of defined limits of required primary insurance coverage. Health care providers are required to provide primary insurance limits of \$1 million per occurrence and \$3 million annual aggregate. Coverage in excess of the primary limits is provided by the Compensation Fund, funded through annual assessments on health care providers. Although not imminent, if rates were to increase, commercial providers may reduce their participation in, or withdraw entirely from, the medical malpractice insurance realm.

The System self-insures for the malpractice risk of the patient care services and its teaching and research activities. While protecting the System from market fluctuations, the risk of self-insurance may include underestimating the risk or failing to maintain adequate reserves to cover its losses.

Any judgments or settlements that exceed insurance coverages or self-insurance reserves could have a material adverse effect on the financial condition of the Obligated Group.

Facility Damage and Natural Disasters

Hospitals are highly dependent on the condition and functionality of their physical facilities. Damage from natural causes, fire, deliberate acts of destruction, terrorism or various facility system failures may have a material adverse effect on hospital operations, financial conditions and results of operations, especially if insurance is inadequate to cover resulting property and business losses.

The occurrences of other natural disasters and severe weather events, including floods, droughts, heatwaves, tornados, wildfires and severe snow storms may damage Obligated Group facilities, interrupt utility service to facilities or otherwise impair the operation of some Obligated Group facilities or the generation of revenues beyond existing insurance coverage. Climate change may increase the frequency of severe weather events.

Increased Competition

The health care business is highly competitive. The Obligated Group will likely face increased competition from other providers of health care that offer health care services to the population which the Obligated Group services. This could include the construction of new, or the renovation of existing, hospitals, specialty hospitals, ambulatory surgical centers and other ambulatory care facilities, free standing emergency facilities, and private laboratory and radiological services. There are also some services that could be provided by others which could be substituted for some of the revenue generating services offered by the Members of the Obligated Group. For example, home care, intermediate nursing care, preventive care, ambulatory care, telehealth services, and drug and alcohol abuse programs are services that could serve as substitutes for hospital treatment.

Quality measures and future trends toward clinical transparency may have an unanticipated impact on the Obligated Group's competitive position and patient volumes. Health care consumers are now able to access hospital performance data on quality measures and patient satisfaction, as well as standard charges for services, to compare competing providers. If any of the Obligated Group's health care facilities achieve poor results (or results that are lower than their competitors') on quality measures or patient satisfaction surveys, or if patients perceive its standard charges as being higher than competitors', the Obligated Group may attract fewer patients. The U.S. Department of Health and Human Services Center for Medicare & Medicaid Services ("CMS") Price Transparency Rule, which requires the publication of hospital standard charges (including negotiated charges), could also result in market distortion or changes to patient choice that may negatively impact the Obligated Group.

Future competition may arise from new sources not currently anticipated or prevalent. Additionally, scientific and technological advances, new procedures, drugs and devices, preventive medicine and outpatient health care delivery may reduce utilization and revenues of hospitals in the future or otherwise lead the way to new avenues of competition. Efforts to reduce hospital readmissions and costs in the overall care continuum will further the use of these new and changing technologies.

Physician Relationships and Supply

The success of the Obligated Group's business depends in significant part on the number, quality, specialties, and admitting and scheduling practices of admitting physicians. Accordingly, it is essential to the Obligated Group's ongoing business that it attract an appropriate number of quality physicians in the specialties required to support its services and that it maintains good relationships with those physicians. A shortage of physicians, especially in primary care, could become a significant issue for health providers in the coming years. In addition, reductions in Medicare or Medicaid reimbursement could lead to physicians relocating their practices in communities with smaller Medicare and Medicaid populations. The Obligated Group may be required to invest additional resources for recruiting and retaining physicians or may be required to increase the percentage of employed physicians in order to continue serving the growing population base and maintain market share.

In recruiting, retaining and otherwise contracting with physicians, the Obligated Group will be limited by rules promulgated by federal or state regulation. Failure to comply with such rules could result in substantial fines, penalties, or exclusion from the federal health care programs. Management of the Corporation believes that the Members of the Obligated Group's physician arrangements are in material compliance with applicable laws and regulations, but no assurance can be given that regulatory authorities will not take a contrary position or that the Members of the Obligated Group will not be found to have violated applicable law. Additionally, future laws, regulations or policies may have a material adverse effect on the ability of the Members of the Obligated Group to recruit and retain physicians.

Medical Staff Disputes

The primary relationship between a hospital and physicians who practice in it is through the hospital's organized medical staff. Medical staff bylaws, rules and policies establish the criteria and procedures by which a physician may have his or her privileges or membership curtailed, denied or revoked. Physicians who are denied medical staff membership or certain clinical privileges, or who have membership or privileges curtailed, denied or revoked, often file legal actions against hospitals. Such action may include a wide variety of claims, some of which could result in substantial uninsured damages to a hospital. In addition, failure of the hospital governing body to

adequately oversee the conduct of the medical staff may result in hospital liability to third parties. All hospitals, including those owned and operated by the Members of the Obligated Group, are subject to such risk.

Employee Relationships/Retention

Hospitals are major employers, combining a complex mix of professional, quasi-professional, technical, clerical, housekeeping, maintenance, dietary and other types of workers in a single operation. As with all large employers, the Obligated Group bears a wide variety of risks in connection with its employees. These risks include strikes and other related work actions, contract disputes, discrimination claims, personal tort actions, work-related injuries, exposure to hazardous materials, interpersonal torts (such as between employees, between physicians or management and employees, or between employees and patients), and other risks that may flow from the relationships between employer and employee or between physicians, patients and employees. Many of these risks are not covered by insurance, and certain of them cannot be anticipated or prevented in advance. The Members of the Obligated Group are subject to all of the risks listed above, and such risks, alone or in combination, could have a material adverse consequences to the financial condition or operations of the Members of the Obligated Group.

Possible Staffing Shortages; Increased Costs for Labor

The health care industry occasionally experiences shortages of health care personnel, including nurses, respiratory therapists, radiation technicians, pharmacists and other trained health care technicians. Ever since the COVID-19 pandemic, such shortages has been a problem for the health care industry. Nurses and other healthcare personnel exited the industry because of burn-out after the pandemic and increased hostilities toward those in the healthcare profession. A nursing shortage is currently affecting many geographic areas of the country. It is possible that the nursing shortage will grow and that other professional shortages will reappear in the future. These personnel shortages may result in increased costs and lost revenues from time to time due to the need to hire agency staffing personnel at higher rates, increased compensation levels to retain current personnel, and the inability to operate at capacity due to the staff shortage. Some states impose mandatory nurse-to-patient staffing ratios for certain health care facilities. Such regulation may exacerbate the effects of any existing nursing shortages in those states.

In addition to the nationwide shortage of workers, many staff nurses have stopped working entirely and many have become contract nurses. Contract labor, including contract nurses, is substantially more expensive and has led to escalating operating expenses for hospitals and health care organizations. Continued increases in the cost of labor may adversely affect the financial condition of the Obligated Group.

Labor Relations and Collective Bargaining

Hospitals are large employers with a wide breadth of employees. Increasingly, employees of hospitals are becoming unionized, and many hospitals have collective bargaining agreements with one or more labor organizations. Employees that are subject to collective bargaining agreements may include essential nursing and technical personnel, as well as food service, maintenance and other trade personnel. Renegotiation of such agreements upon expiration may result in significant cost increases to hospitals. Employee strikes or other adverse labor actions may have an adverse impact on operations, revenue and hospital reputation.

Class Actions

Hospitals, health systems and other health care providers have long been subject to a wide variety of litigation risks, including liability for care outcomes, employer liability, property and premises liability, and peer review litigation with physicians, among others. In recent years, consumer class action litigation has emerged as a potentially significant source of litigation liability for hospitals, health systems and other health care providers. These class action suits have most recently focused on hospital billing and collections practices and breaches of privacy, and they may be used for a variety of currently unanticipated causes of action. Since the subject matter of class action suits may involve uninsured risks, and since such actions often involve alleged large classes of plaintiffs, they may have material adverse consequences on hospitals and health systems in the future. See “– Wage and Hour Class Actions and Litigation” below.

Pension and Benefit Fund Liabilities

The Members of the Obligated Group may incur significant expenses to fund pension and benefit plans for employees and former employees and to fund required workers' compensation benefits. Funding obligations in some cases may be erratic or unanticipated and may require significant commitments of available cash needed for other purposes. In addition, to the extent investment returns are lower than anticipated or losses on investments occur, the Members of the Obligated Group may also be required to make additional deposits in connection with pension fund liabilities.

Wage and Hour Class Actions and Litigation

Federal law and many states impose standards related to worker classification, eligibility and payment for overtime, liability for providing rest periods and similar requirements. Large employers with complex workforces, such as hospitals, are susceptible to actual and alleged violations of these standards. In recent years there has been a proliferation of lawsuits over these "wage and hour" issues, often in the form of large class actions. For large employers, such as the Members of the Obligated Group, such class actions can involve multi-million dollar claims, judgments and/or settlements. A major class action decided or settled adversely to a Member of the Obligated Group could have a material adverse effect.

Action by Consumers and Purchasers of Health Care Services

Major purchasers of health care services also could take action to restrain hospital or other provider charges or charge increases. As a result of increased public scrutiny, it is also possible that the pricing strategies of hospitals may be perceived negatively by consumers, and hospitals may be forced to reduce fees for their services. Decreased utilization could result, and health care revenues may be negatively impacted. In addition, consumers and groups on behalf of consumers are increasing pressure for hospitals and other health care providers to be transparent and provide information about cost and quality of services that may affect future consumer choices about where to receive health care services.

Audits, Exclusions, Fines, Withholds and Enforcement Actions

Health care providers participating in Medicare and Medicaid are subject to audits and retroactive audit adjustments by fiscal intermediaries under the Medicare and Medicaid programs. From an audit, a fiscal intermediary may conclude that services may not have been provided under the direct supervision of a physician (to the extent so required), that a patient should not have been characterized as an inpatient, that certain services provided prior to admission as an inpatient should not have been billed as outpatient services, or that certain required procedures or processes were not satisfied, or that certain costs were unreasonable, not allowable, not incurred or incorrectly classified. As a consequence, payments may be retroactively disallowed or recouped. Regulations also provide for withholding of payments in certain circumstances, and such withholdings could have a substantial adverse effect on the financial condition of the health care provider, including the Members of the Obligated Group. Under certain circumstances, payments made may be determined to have been made as a consequence of improper claims subject to the federal and state statutes, subjecting the health care provider to civil or criminal sanctions. The Members of the Obligated Group, as health care providers, are subject to all such risks. See the information under the heading "REGULATION OF THE HEALTH CARE INDUSTRY."

In response to COVID-19, the federal government passed the Coronavirus Aid, Relief, and Economic Security Act ("*CARES Act*") in order to provide financial relief to hospitals and healthcare systems. The Act created the Public Health and Social Services Emergency Fund (the "*Provider Relief Fund*") to reimburse eligible health care providers for health care related expenses or lost revenues attributable to coronavirus. All Provider Relief Fund recipients had to attest to the Provider Relief Fund "Terms and Conditions," which among other things, required the submission and maintenance of documentation to substantiate that relief funds were used for increased healthcare related expenses or lost revenue attributable to coronavirus. Payments in excess of healthcare related expenses or lost revenue attributable to coronavirus must be repaid. The Department of Health & Human Services ("*DHHS*") reserves the right to audit Provider Relief Fund recipients to ensure that this requirement is met and collect any Provider Relief Fund amounts that were made in error or exceed lost revenue or increased expenses due to COVID-19. Failure to comply with the Terms and Conditions may be grounds for recoupment or other penalties or sanctions.

Information Systems

The ability to adequately price and bill health care services and to accurately report financial results depends on the operability of a health care provider's electronic medical record ("EMR") and other information technology ("IT") systems and the integrity of the data stored within such systems. EMR and IT systems require an ongoing commitment of significant resources to maintain, protect and enhance existing systems and develop new systems to keep pace with continuing changes in information processing technology, evolving systems and regulatory standards. There can be no assurance that efforts to upgrade and expand information systems capabilities, protect and enhance these systems, and develop new systems to keep pace with continuing changes in information processing technology will be successful or that additional systems issues will not arise in the future. From time to time, providers may need or choose to change or upgrade EMR systems. Such transfer can be costly and have the potential to disrupt operational issues and create regulatory issues such as data privacy issues, which in turn may have a material adverse effect on the Obligated Group's business or financial condition.

The reliance on EMR and IT imposes expectations on physicians and other workforce members to be adept in using and managing such systems. It also introduces risks related to patient safety, and to the privacy, accessibility and preservation of health information. Technology malfunctions or failure to understand and use IT systems properly could result in the dissemination of or reliance on inaccurate information, as well as in disputes with patients, physicians and other health care professionals. Healthcare IT systems may also be subject to different or higher standards or greater regulation than other information technology or the paper-based systems previously used by health care providers, which may increase the cost, complexity and risks of operations. All of these risks may have adverse consequences on hospitals and health care providers.

Cyber-Attacks

The Obligated Group relies on IT systems, including EMRs, to operate its facilities and process, transmit and store sensitive and confidential data, including the protected health information and personally identifiable information of its patients and employees, and proprietary and confidential business performance data. Although the Obligated Group routinely monitors and tests the security of its IT systems and processes and implements appropriate security measures, IT systems are often subject to computer viruses, cyber-attacks by hackers (such as malware or ransomware attacks), or breaches due to employee error or malfeasance. Cyber-attacks specifically targeted at health systems have been occurring more frequently, and in some recent cases, have resulted in the disruption or temporary cessation of facility operations. Any breach or cyber-attack that limits a health facility's ability to access its IT systems or otherwise compromises patient data could result in the disruption or cessation of facility operations, patient safety issues, the loss of patient records, the payment of significant ransoms, negative press, and/or the imposition of substantial fines or penalties for violation of HIPAA (defined below) or similar state privacy laws, any of which may adversely affect a health facility's business or financial condition. The aftermath from such attacks can be material, costing some health systems hundreds of millions of dollars in the aftermath. The Obligated Group's IT security measures may not be sufficient to prevent cyber-attacks in the future, and as cybersecurity threats continue to evolve, the Obligated Group may not be able to anticipate certain attack methods in order to implement effective protective measures, and may be required to expend significant additional resources to continue to modify and strengthen security measures, investigate and remediate any vulnerabilities, or invest in new technology designed to mitigate security risks.

Additionally, the Obligated Group's IT systems routinely interface with and rely on third-party systems that are also subject to the risks outlined above and may not have or use appropriate controls to protect confidential information. A breach or attack affecting a third-party service provider could harm the Obligated Group's business or financial condition. For example, Change Healthcare, a revenue and payment cycle management provider, experienced a large-scale ransomware attack that compromised collections on billions of dollars in payments. Furthermore, it is still unknown whether and the extent that patient records and personal information were jeopardized. Although the Obligated Group has insurance against some cyber risks and attacks, it may not be sufficient to offset the impact of a material loss event. See "REGULATION OF THE HEALTH CARE INDUSTRY" below.

Antitrust

Antitrust liability may arise in a wide variety of circumstances, including medical staff privilege disputes, contracting with commercial insurers, Managed Care Organizations, and other third-party payors, physician relations,

joint ventures, merger, affiliation and acquisition activities and certain pricing or salary setting activities, as well as other areas of activity. The application of the federal and state antitrust laws to health care is still evolving, and enforcement activity by federal and state agencies appears to be increasing. The health care industry is experiencing increased pressure from the Federal Trade Commission (“FTC”) after President Biden signed an executive order on July 9, 2021 aimed at encouraging economic competition. The executive order targeted health care as one of the sectors that is subject to increased FTC enforcement and scrutiny. A primary point of concern is consolidation among hospitals. The executive order called on the Attorney General and the chair of the FTC to review and consider revising the current horizontal and vertical merger guidelines. It reiterated that the FTC and Department of Justice (“DOJ”) are allowed to challenge prior mergers that are already consummated. Additionally, the DOJ withdrew three joint policy statements in February 2023 that fall within the scope of FTC enforcement: The Antitrust Enforcement Policy Statements in the Health Care Area (1993), Statements of Antitrust Enforcement Policy in Health Care (1996), and the Statement of Antitrust Enforcement Policy Regarding Accountable Care Organizations Participating in the Medicare Shared Savings Program. The DOJ viewed these policies as overly permissive. The removal of these policy statements has lessened safe harbors available to healthcare actors. It has also led to increased uncertainty as to the current state of FTC rules and regulations. Any FTC enforcement could have a materially adverse effect on the financial condition or operations of the Obligated Group.

Violators of the antitrust laws may be subject to criminal and/or civil enforcement by federal and state agencies, as well as by private litigants in certain instances. At various times, a Member of the Obligated Group may be subject to an investigation or inquiry by a governmental agency charged with the enforcement of the antitrust laws, or may be subject to administrative or judicial action by a federal or state agency or a private party. Common areas of potential liability are joint action among providers with respect to third-party payor contracting and medical staff credentialing. With respect to third-party payor contracting, a Member of the Obligated Group may, from time to time, be involved in joint contracting activity with hospitals, physicians or other providers. The precise degree, if any, to which this or similar joint contracting activities may expose the participants to antitrust risk is dependent on a myriad of factual matters. Physicians who are subject to adverse peer review proceedings may file federal antitrust actions against hospitals and seek treble damages. Health care providers, including the Members of the Obligated Group, regularly have disputes regarding credentialing and peer review, and therefore may be subject to liability in this area. In addition, health care providers occasionally indemnify medical staff members who are involved in such credentialing or peer review activities, and may, therefore, also be liable with respect to such indemnity.

Affiliations, Mergers, Acquisitions and Divestitures

The Corporation periodically evaluates and selectively pursues potential merger and affiliation candidates on a consistent basis as part of their overall strategic planning and development process. As a result, it is possible that the entities and assets that currently make up the System may change from time to time. In addition to relationships with hospitals and physicians, the Obligated Group may pursue investments, ventures, affiliations, development and acquisitions of other health care related entities. These may include providers of home health care, long term care entities or operations, pharmaceutical providers and other health care enterprises that support the overall operations and mission of the Obligated Group. In addition, the Members of the Obligated Group may pursue transactions with third-party payors, third-party administrators and other health insurance related businesses. Because of the rapid integration occurring throughout the health care industry, the Obligated Group will consider such arrangements where there is a perceived strategic or operational benefit. All such initiatives may involve significant capital commitments and/or capital or operating risk. There can be no assurance that these projects, if pursued, will not have a material adverse effect on the Obligated Group’s business or financial condition. *See APPENDIX A – “FINANCIAL IMPROVEMENT PLAN AND STRATEGIC PARTNERSHIPS – Strategic Partnerships”.*

Additions to and Withdrawals from the Obligated Group

Upon satisfaction of certain conditions in the Master Indenture, other entities may become Members of the Obligated Group and present Members of the Obligated Group may withdraw from the Obligated Group. If and when new Members of the Obligated Group are added or current Members of the Obligated Group withdraw, such changes to the Members of the Obligated Group membership could result in changes to the Obligated Group’s financial situation and operations.

Replacement Master Indenture

Master Notes issued under the Master Indenture may be replaced by payment obligations issued under a Replacement Master Indenture upon delivery of such Replacement Master Indenture to the Master Trustee upon the terms and conditions provided in the Master Indenture. The new obligated group may be different from the Obligated Group under the Master Indenture, and the financial condition or results of operations of the new obligated group may be materially different. Further, the Replacement Master Indenture may contain covenants and security that are different from the Master Indenture.

Environmental Laws and Regulations

Typical health care facility operations include the handling, use, storage, transportation, disposal and/or discharge of hazardous, infectious, toxic, radioactive, flammable and other hazardous materials, wastes, pollutants and contaminants. As such, healthcare facility operations are particularly susceptible to the practical, financial and legal risks associated with compliance with environmental and occupational health and safety laws and regulations. Environmental and occupational health and safety risks may result in (1) damage to individuals, property or the environment, (2) the interruption of operations and/or increased costs, (3) legal liability, damages, injunctions, citations, or fines, and/or (4) investigations, administrative proceedings, civil litigation, criminal prosecution, penalties or other governmental agency actions. Such actions may not be covered by insurance. There is no assurance that the Obligated Group will not encounter such problems in the future and such problems may result in material adverse consequences to the Obligated Group's business or financial condition.

Other Bondholders' Risks

In the future, the following factors, among others, may adversely affect the operations of health care providers, including the Members of the Obligated Group, or the market value of the Series 2024A Bonds, to an extent that cannot be determined at this time:

1. Scientific and technological advances, new procedures, drugs and appliances, preventive medicine, occupational health and safety and outpatient health care delivery may reduce utilization and revenues of the facilities. Technological advances in recent years have accelerated the trend toward the use by hospitals of sophisticated and costly equipment and services for diagnosis and treatment. The acquisition and operation of certain equipment or services may continue to be a significant factor in hospital utilization, but the ability of the Members of the Obligated Group to offer the equipment or services may be subject to the availability of equipment or specialists, governmental approval or the ability to finance these acquisitions or operations.
2. Reduced demand for the services of the Members of the Obligated Group that might result from decreases in population in their respective service areas.
3. Increased unemployment or other adverse economic conditions in the respective service areas of the Members of the Obligated Group which would increase the proportion of patients who are unable to pay fully for the cost of their care.
4. Any increase in the quantity of indigent care provided which is mandated by law or required due to increased needs of the community in order to maintain the charitable status of the Members of the Obligated Group.
5. Regulatory actions which might limit the ability of the Obligated Group to undertake capital improvements to their respective facilities or to develop new institutional health services.
6. The occurrence of a large-scale terrorist attack, outbreak or escalation of hostilities or other national or international calamity or crisis that increases the proportion of patients who are unable to pay fully for the cost of their care and that disrupts the operation of certain healthcare facilities by resulting in an abnormally high demand for healthcare services.

7. Instability in the stock market which may adversely affect both the principal value of, and income from, the Obligated Group's investment portfolio.
8. The adoption of legislation or implementation of regulations establishing a national or statewide single-payor health program or establishing national, statewide or otherwise regulated rates applicable to health care providers.
9. State or federal imposition of higher minimum or living wages.
10. The outcome of presidential or other political elections.
11. An inflationary economy.

REGULATION OF THE HEALTH CARE INDUSTRY

General Health Care Industry Factors

The Obligated Group, and the health care industry in general, are subject to regulation by a number of governmental agencies, including those which administer the Medicare and Medicaid programs, federal, state and local agencies responsible for administration of health planning programs and other federal, state and local governmental agencies. The health care industry is also affected by federal, state and local policies developed to regulate the manner in which health care is provided, administered and paid for nationally and locally. As a result, the health care industry is sensitive to legislative and regulatory changes in such programs and is affected by reductions and limitations in government spending for such programs as well as changing health care policies. The pressure to curb the rate of increase in federal spending in health care programs overall and on a per beneficiary basis is expected to increase as the U.S. population ages. Among other effects, this pressure may result in further reductions in payment rates for hospital services and increased utilization of managed care in the Medicare and Medicaid programs. In addition, Congress and other governmental agencies have focused on the provision of care to indigent and uninsured or underinsured patients, the prevention of "dumping" such patients on other hospitals in order to avoid provision of unreimbursed care and other issues. Adoption of additional regulations in these areas could have an adverse impact on the financial condition or operations of the Members of the Obligated Group. Furthermore, laws promulgated by Congress and state legislatures, which regulate the manner in which health care services are provided and billed for, are increasing. As a result, the costs of complying with these laws and regulations are increasing. Some of the legislation and regulations affecting the health care industry are discussed in this section.

Federal and State Legislation; National Health Care Reform

General

A significant portion of the revenues of the Obligated Group is derived from Medicare, Medicaid and other third-party payors.

Medicare is the federally-funded government health insurance program for individuals over 65 regardless of income and individuals with permanent disabilities or with end-stage renal disease. Medicare is administered by CMS, through "*Medicare Administrative Contractors*." Medicaid is the joint federal and state health insurance program that, together with the Children's Health Insurance Program, provides health coverage to certain low-income individuals and children and individuals with disabilities. Medicaid benefits are available through a state's Medicaid program, within prescribed limits, to persons meeting certain minimum income or other need requirements.

Significant changes have been and will likely continue to be made in these programs, which changes could have an adverse impact on the financial condition of the Obligated Group. In addition, legislation has in the past and may in the future be introduced in Congress which, if enacted, could adversely affect the operations of the Obligated Group by, for example, decreasing payment by Medicare and Medicaid and other third-party payors or limiting the ability of the physicians on the medical staff of the Obligated Group to provide services or increase services provided to patients.

The discussion herein describes risks associated with certain existing federal and state laws, regulations, rules, and governmental administrative policies and determinations to which the Members of the Obligated Group and the health care industry are subject. These are regularly subject to change. Additionally, because health care regulations are particularly complex, such regulations may be interpreted and enforced in a manner that is inconsistent with the Corporation's interpretation. The Obligated Group's business or financial condition could be harmed if a Member is alleged to have violated existing health care regulations or if a Member fails to comply with new or changed health care regulations. Furthermore, health care, as one of the largest industries in the United States, continues to attract much legislative interest and public attention. Further changes in the health care regulatory framework which increase the burdens on health care providers could have a material adverse effect on the Obligated Group's business or financial condition.

Many of the health care laws and regulations discussed below were amended by, enacted by, or promulgated pursuant to the ACA (discussed below). There can be no assurances that any current health care laws and regulations, in addition to the ACA, will remain in their current form. Additionally, there can be no assurances that any potential changes to the laws and regulations governing health care would not have a material adverse financial or operational effect on the Obligated Group. Therefore, the following discussion should be read with the understanding that significant changes could occur in the foreseeable future in many of the statutory and regulatory matters discussed.

The Affordable Care Act

The ACA has significantly changed, and continues to change, how health care services are covered, delivered, and financed in the United States. The primary goal of the ACA – extending health coverage to millions of uninsured legal U.S. residents – has taken place through a combination of private sector health insurance reforms and Medicaid program expansion (discussed below). Since its enactment, the ACA has faced a stream of opposition from Republican lawmakers calling for its repeal and/or replacement, along with a string of lawsuits challenging various aspects of the law. To date the ACA has survived three major Supreme Court challenges and no bills wholly repealing the ACA have passed both chambers of Congress. However, the Tax Cuts and Jobs Act effectively eliminated a key provision of the ACA – a tax penalty associated with failing to maintain health coverage (the “*Individual Mandate Tax Penalty*”) by reducing the penalty to zero dollars effective 2019. As of February 2024, ACA enrollment is at a high of 21 million people enrolled in insurance through the ACA marketplaces.

In addition to actual and possible legislative changes or legal challenges, executive branch actions and policies could impact the viability of the ACA. For example, executive branch action has the potential to significantly impact the ACA insurance exchange market by causing a reduction in the number of healthy individuals in the exchanges, a reduction in the number of plans available on the exchanges, and/or an increase in insurance premiums. President Biden has taken, and is expected to continue to undertake, executive actions to strengthen and build on the ACA and has reversed certain policies of the prior administration that are seen as undermining the ACA. President Biden issued an Executive Order on January 28, 2021 to reverse the impact of previous executive actions intended to weaken the ACA. The order also directed federal agencies to reconsider rules and other policies that limit American's access to health care, and consider actions to protect and strengthen that access.

On March 11, 2021, President Biden signed the American Rescue Plan into law. The American Rescue Plan extends eligibility for ACA health insurance subsidies to people buying their own health coverage on the health care exchange marketplace who have household income above 400% of the federal poverty level. The American Rescue Plan also increased the amount of financial assistance for people at lower incomes who were already eligible under the ACA. On September 17, 2021, CMS finalized the 2022 ACA rules. Some rules are direct reversals of the rule changes made by the Trump administration; others are new ideas designed to help more people access affordable health insurance. An extra month of open enrollment was finalized, as has a year-round open enrollment period for households earning up to 150% of the poverty level. CMS notes this special enrollment period will only remain in effect as long as the American Rescue Plan's subsidy enhancements are available, which will expire at the end of 2025. In addition, DHHS has taken steps to streamline the process by which states obtain waivers of Medicaid coverage mandates. DHHS has also permitted the implementation of work and community engagement requirements as a condition of eligibility for Medicaid benefits. Still, the ACA will be subject to the policy decisions of future administrations.

The results of the 2024 presidential election may have an unpredictable impact on the ACA and executive actions taken by the Biden administration. If a change in administration occurs, previously issued executive orders may be rescinded or additional executive orders may be issued. Changes to existing executive orders may have a positive or negative impact on the financial performance of the Corporation.

Management of the Corporation cannot predict the likelihood of any future ACA repeal bills or other health care reform bills becoming law, or the subsequent effects of any such legislative actions, legal decisions, or current or future executive actions, though such effects could materially impact the Obligated Group's business or financial condition. In particular, any legal, legislative or executive action that (1) reduces federal health care program spending, (2) increases the number of individuals without health insurance, (3) reduces the number of people seeking health care, or (4) otherwise significantly alters the health care delivery system or insurance markets could have a material adverse effect on the Obligated Group's business or financial condition.

The majority of the ACA remains law. Certain key provisions of the law are briefly described below:

Private Health Insurance Coverage Expansion/Insurance Market Reforms

As originally drafted, the ACA's Individual Mandate Tax Penalty (discussed above) required most Americans to maintain "minimum essential" health insurance coverage or pay a yearly tax penalty to the federal government. Non-exempt uninsured individuals were expected to satisfy the mandate by purchasing insurance from a private company or through a "health insurance exchange." The health insurance exchanges are government-established organizations that provide competitive markets for buying health insurance by offering individuals and small employers a choice of different health plans, certifying plans that participate, and providing information to help consumers better understand their options. The Tax Cuts and Jobs Act effectively eliminated the Individual Mandate Tax Penalty by reducing the penalty to zero dollars effective 2019.

The effect of the health insurance exchange market on the reimbursement rates paid by health insurers, and accordingly on health care providers' business or financial condition, cannot be predicted. The health insurance exchanges may have a positive impact for health care facilities to the extent they increase the number of individuals with health insurance. Conversely, health insurance exchanges may have a negative financial impact on health care providers to the extent (1) insurance plans purchased on the exchanges reimburse providers at lower rates or (2) high-deductible plans offered on the exchanges become more prevalent and lead to lower inpatient volumes as patients choose to forgo medical treatment. As many participating insurance companies have sustained financial losses and either ceased offering plans on the health insurance exchanges or increased their premiums, it is unclear whether the exchanges will continue to be a viable mechanism for the provision of health insurance.

The ACA also includes an "employer mandate." The "employer mandate" provisions require the imposition of penalties on employers having 50 or more employees that do not offer qualifying health insurance coverage to those working 30 or more hours per week. The ACA also established a number of other health insurance market reforms, including bans on lifetime limits and pre-existing condition exclusions, new benefit mandates, and increased dependent coverage (until the age of 26).

Management of the Corporation cannot predict the future of the health insurance markets or the effects of current and future health reform efforts on such markets, though such effects may materially affect the Obligated Group's business or financial condition.

Medicaid Expansion

Another key provision of the ACA is the expansion of Medicaid coverage. Prior to the passage of the ACA, the Medicaid program offered federal funding to states to assist limited categories of low-income individuals (including children, pregnant women, the blind and the disabled) in obtaining medical care. The ACA permits states to expand Medicaid program eligibility to virtually all individuals under 65-years old with incomes up to 138% of the federal poverty level, and provides enhanced federal funding to states that opt to expand. There is no deadline for a state to undertake expansion and qualify for the enhanced federal funding available under the ACA. For states that choose not to participate in the federally funded Medicaid expansion, the net positive effect of ACA reforms has been

significantly reduced. Only ten states have not adopted Medicaid expansion: Alabama, Florida, Georgia, Kansas, Mississippi, South Carolina, Tennessee, Texas, Wisconsin and Wyoming.

Spending Reductions

The ACA contains a number of provisions designed to significantly reduce Medicare and Medicaid program spending, including: (1) negative adjustments to the “market basket” updates for Medicare’s inpatient, outpatient, long-term acute and inpatient rehabilitation prospective payment systems, and (2) reductions to Medicare and Medicaid disproportionate share hospital (“DSH”) payments. Any reductions to reimbursement under the Medicare and Medicaid programs could have a material adverse effect on the Obligated Group’s business or financial condition to the extent such reductions are not offset by increased revenues from providing care to previously uninsured individuals.

Quality Improvement and Clinical Integration Initiatives

The ACA mandated the creation of a number of payment reform measures designed to incentivize or penalize hospitals based on quality, efficiency and clinical integration measures and authorizes the Center for Medicare & Medicaid Innovation within CMS to develop and test new payment methodologies designed to improve quality of care and lower costs. Current programs include (1) the “Readmission Reduction Program,” which reduces Medicare payments by specified percentages to hospitals with excess or preventable hospital admissions based on historical discharge data, (2) the “Hospital Value-Based Purchasing Program,” which imposes an across-the-board reduction in inpatient reimbursement and then reallocates and redistributes those funds to hospitals based upon quality and patient experience measures, and (3) the “Hospital-Acquired Condition Reduction Program,” which negatively adjusts payments to applicable hospitals that rank in the worst-performing quartile for risk-adjusted hospital-acquired condition measures. Management of the Corporation is not currently aware of any situation in which an ACA quality, efficiency, or clinical integration program is materially adversely affecting the business or financial condition of the Obligated Group. However, the Obligated Group’s business or financial condition may be adversely affected by such programs in the future.

Fraud and Abuse Enforcement Enhancements

In an attempt to reduce unnecessary health care spending, the ACA includes a number of provisions aimed at combating fraud and abuse within the Medicare and Medicaid programs. Such provisions provide increased federal funding to fight health care fraud and abuse, provide government agencies with additional enforcement tools and investigation flexibility, facilitate cooperation between agencies by establishing mechanisms for information sharing, and enhance criminal and administrative penalties for non-compliance with the federal fraud and abuse laws (e.g., the Anti-Kickback Statute, the Stark Law and False Claims Act, each as defined and discussed below). Management of the Corporation is not currently aware of any pending recovery audit which, if determined adversely to the Obligated Group, would materially adversely affect the business or financial condition of the Obligated Group.

Full Impact of ACA Difficult to Predict

To the extent the ACA remains law, it is difficult to predict the full impact of the ACA on the Obligated Group’s future revenues and operations at this time due to uncertainty regarding a number of material factors, including: (1) the number of uninsured individuals to ultimately obtain and retain insurance coverage as a result of the ACA, (2) the percentage of any newly insured patients covered by Medicaid versus a commercial plan, (3) the pace at which insurance coverage expands, (4) future changes in the reimbursement rates and methods, (5) the percentage of individuals in the exchanges who select the high-deductible plans, (6) the extent to which the enhanced program integrity and fraud and abuse provisions lead to a greater number of civil or criminal actions, (7) the extent to which the ACA tightens health insurers’ profits, causing the plans to reduce reimbursement rates, (8) the extent of lost revenues, if any, resulting from ACA quality initiatives, and (9) the success of any clinical integration efforts or programs in which the Obligated Group participates.

Medicare Reimbursement

General

The Members of the Obligated Group are highly dependent on Medicare reimbursement. *See* APPENDIX A – “SELECTED STATISTICAL AND FINANCIAL INFORMATION – Sources of Patient Service Revenue” hereto. Because of this dependence, additional Medicare payment reductions affecting the Medicare program may have a material adverse effect on the Obligated Group’s business or financial condition. A substantial portion of the Medicare revenues of the Obligated Group is derived from payments made for services rendered to Medicare beneficiaries under a prospective payment system (“PPS”). Under a prospective payment system, the amount paid to the provider for an episode of care is established by federal regulation and is not related to the provider’s charges or costs of providing that care. Presently, inpatient and outpatient services, skilled nursing care, and home health care are paid on the basis of a PPS. Under inpatient PPS (“IPPS”), fixed payment amounts per inpatient discharge are established based on the patient’s assigned diagnosis related group (“DRG”). The capital component of care is paid on a fully prospective basis. PPS-exempt hospitals and units are currently reimbursed for their reasonable costs, subject to a cost per discharge target. These limits are updated annually by an index generally based upon inflationary increases in costs of providing health care services.

From time to time, the factors used in calculating the prospective payments for units of service are modified by CMS, which may reduce revenues for particular services. In addition, as part of the federal budgetary process, Congress has regularly amended the Medicare law to reduce increases in payments that are otherwise scheduled to occur, or to provide for reductions in payments for particular services. These actions could adversely affect the revenues of the Obligated Group.

Under the ACA, additional payments may be made to individual providers. Hospitals that treat a disproportionately large number of low-income patients (Medicaid and Medicare patients eligible to receive supplemental Social Security income) currently receive additional payments in the form of DSH payments. Additional payments are made to hospitals that treat patients who are costlier to treat than the average patient; these additional payments are referred to as “outlier payments.” Also, hospitals are paid for a portion of their direct and indirect medical education costs. These additional payments are also subject to reductions and modifications in otherwise scheduled increases as a result of amendments to relevant statutory provisions. The Obligated Group has qualified for DSH payments in the past, but there can be no assurance that it will qualify for DSH status in the future.

Current or new legislation that reduces Medicare payments could adversely affect the Obligated Group. There is no assurance that the Obligated Group will be paid amounts that will reflect adequately its costs incurred in providing inpatient hospital services to Medicare beneficiaries, as well as any changes in the cost of providing health care or in the cost of health care technology being made available to Medicare beneficiaries. The ultimate effect on the Obligated Group will depend on its ability to control costs involved in providing inpatient hospital services.

Site-Neutral Reimbursement

Medicare services performed at off-campus hospital outpatient departments (“HOPDs”) have traditionally been reimbursed under the Medicare Hospital Outpatient Prospective Payment System (“OPPS”), while services performed in freestanding clinics (e.g. free standing ambulatory surgery centers or physician offices) have been reimbursed at the lower Medicare Physician Fee Schedule rate. In 2017, Congress mandated a “site-neutral” reimbursement policy to reduce payment discrepancies for identical services performed at HOPDs opened or acquired after November 2, 2015 and other facilities. Pursuant to the 2019 OPPS final rule, CMS implemented a policy expanding the site neutral payment policy to “grandfathered” HOPDs (HOPDs opened or acquired before November 2, 2015) as well. Although the American Hospital Association and others have challenged the expansion of the site-neutral payment policy a federal appellate court has ruled that CMS may apply the site-neutral payment policy to the grandfathered HOPDs and the U.S. Supreme Court declined to hear an appeal of that rule. Implementation of a site-neutral payment policy for grandfathered HOPDs is likely to have a significant financial impact on hospitals in the form of reduced OPPS payments.

Hospital Inpatient Reimbursement

Hospitals are generally paid for inpatient services provided to Medicare beneficiaries through an IPPS based on established categories of DRGs. DRGs are a system of classifying inpatient hospital services based on a person's medical diagnosis, any secondary diagnoses, surgical procedures, age, sex and presence of any complications. Payments are made to hospitals based on the DRG assignment for each patient's diagnosis. Hospital reimbursement will be set at specific rates established by Medicare for that particular patient's DRG, regardless of the actual costs incurred by the hospital for such treatment. CMS established a new DRG classification system in its 2008 IPPS Final Rule, which categorizes base DRGs by severity and weight. The actual cost of care, including capital costs, may be more or less than the DRG rate. DRG rates are subject to adjustment by CMS and are subject to federal budget considerations. There is no guarantee that DRG rates, as they change from time to time, will cover actual costs of providing services to Medicare patients.

Hospital Outpatient Reimbursement

Hospitals generally are paid for outpatient services provided to Medicare beneficiaries based on established categories of treatments or conditions known as ambulatory payment classifications ("APC"). The actual cost of care, including capital costs, may be more or less than the reimbursements based on APCs. There is no guarantee that hospital outpatient reimbursement will cover actual costs of providing services to Medicare patients.

Section 340B Drug Pricing Program

Entities that participate in the prescription drug discount program established under Section 340B of the federal Public Health Service Act (the "340B Program") are able to purchase certain outpatient drugs for patients at a reduced cost. Congressional and administrative efforts have been made in the past, seeking to reduce drug discounts, tighten 340B Program eligibility requirements and reduce the scope of the program. Such efforts include a large cut on 340B Program discounts in 2018 that were then challenged in federal court by the American Hospital Association. The Supreme Court ruled in the American Hospital Association's favor. However, future legal, legislative or administrative changes to the 340B Program which result in a loss of 340B Program eligibility, or further decreases in 340B Program drug discounts, could have a material adverse effect on the System. In addition, the rules and regulations applicable to participation in the 340B Program are technical, complex, numerous and may not fully be understood or implemented by billing or reporting personnel. Further, pharmacy licensing is complex and may not be fully addressed. Failure to comply with the 340B Program requirements or rules could result in exclusion from the 340B Program thus significantly increasing costs for drugs as well as creating a repayment obligation, which in either case could have a material adverse effect on the operations, licensure or financial condition of the Obligated Group.

Medical Education Payments

Medicare currently pays for a portion of the costs of medical education at hospitals that have teaching programs. These payments are vulnerable to reduction or elimination. The direct and indirect medical education reimbursement programs have repeatedly emerged as targets in the legislative efforts to reduce the federal budget deficit. There can be no assurance that medical education payments will remain at current levels.

Value-Based Payments

The ACA has increased the use of value-based payments to incentivize providers to control costs and provide better quality care. These models can seek both vertical and longitudinal alignment of health care providers and payors and can require providers to share in upside and/or downside financial risk. Current models include bundled payment models and accountable care/population health models. Bundled payment models establish a budgeted payment to cover the entire cost of an episode of care (e.g., a hip or knee replacement). Population health models incentivize providers to maintain or improve quality while reducing cost through shared savings or shared loss arrangements. Population health models usually involve a form of capitated payment, which is a per patient payment for the cost of care over a set period of time.

CMS has encouraged the use of alternative payment models and it is generally anticipated that CMS will continue to experiment with additional alternative payment models. Additionally, private payors are moving toward value-based purchasing and alternative payment models. Value-based and other alternative payment model initiatives tying health care provider reimbursement to quality, efficiency, or patient outcome measures will increasingly affect health care provider operations and may negatively impact revenues if the provider is unable to meet targeted measures.

Medicare Trust Funds

Two trust funds are maintained as part of the Medicare Program. Hospital Insurance (“HI”) or Medicare Part A, helps to pay for hospital, home health, skilled nursing facility, and hospice care for the aged and disabled and is financed primarily by payroll taxes paid by workers and employers. The Medicare Board of Trustees’ 2023 annual report indicated that the HI Trust Fund is not financed adequately and is projected to be exhausted in 2031. The other trust fund and various other components of the Medicare Program also have significant funding challenges. The trustees recommended that Congress and the executive branch work together with a sense of urgency to address the depletion of the HI Trust Fund and the projected growth in hospital and other expenditures. Accordingly, it is likely that statutory and regulatory attempts to contain increases in Medicare costs will continue in the future.

The Medicaid Program

Medicaid is a program for medical assistance, funded jointly by the federal government and the states, for certain needy individuals and their dependents. Under Medicaid, the federal government provides limited funding to states that have medical assistance programs that meet federal standards. Pursuant to these broad federal guidelines, each state establishes its own eligibility standards; determines the type, amount, duration and scope of services; sets the payment rates for services; and administers its own programs. Payments made to health care providers under the Medicaid program are subject to change as a result of federal or state legislative and administrative actions, including changes in the methods for calculating payments, the amount of payments that will be made for covered services and the types of services that will be covered under the program. Such changes have occurred in the past and may be expected to occur in the future, particularly in response to federal and state budgetary constraints. Any future reduction in the level of Medicaid spending by the federal government is likely to have an adverse impact on the revenues of the Members of the Obligated Group derived from the Medicaid program.

The ACA made changes to Medicaid funding and substantially increased the potential number of Medicaid beneficiaries. While management of the Corporation cannot predict the effect of any changes to the state-specific Medicaid programs on the operations, results from operations or financial condition of the Members of the Obligated Group, historically Medicaid has reimbursed at rates below the cost of care. Therefore, increases in the overall proportion of Medicaid patients pose a risk. It is uncertain to what extent this risk may be mitigated if the increased Medicaid utilization population replaces previously uncompensated patients.

Medicaid Reimbursement

The Members of the Obligated Group are highly dependent on Medicaid reimbursement. *See* APPENDIX A – “SELECTED STATISTICAL AND FINANCIAL INFORMATION – Sources of Patient Service Revenue” hereto. Because of this dependence, additional Medicaid payment reductions affecting the Medicaid program may have a material adverse effect on the Obligated Group’s business or financial condition. Payments made to health care providers under the Medicaid program are subject to changes as a result of federal or state legislative and administrative actions, including further changes in the methods for calculating payments, the amount of payments that will be made for covered services and the types of services that will be covered under the program. Such changes have occurred in the past and may continue to occur in the future, particularly in response to federal and state budgetary constraints coupled with increased costs for covered services.

Hospitals participating in the Medicaid program are subject to numerous requirements and regulations under the program. Failure to remain in compliance with any program requirements may subject the Medicaid provider to civil and/or criminal penalties, including fines and suspension or expulsion from the program, preventing the provider from receiving any funds under the Medicaid program. Noncompliance with Medicaid requirements, and suspension

or exclusion from the Medicaid program, can also be a basis for mandatory or permissive suspension or exclusion from the Medicare program.

Significant changes have been and may be made in the Medicaid program which could have a material adverse effect on the financial condition of the Obligated Group. For example, under Medicaid, the federal government provides limited funding to states that have medical assistance programs that meet federal standards, and the ACA provides significantly enhanced federal funding for states to expand their Medicaid program to virtually all non-elderly, non-disabled adults with incomes up to 138% of the federal poverty level. Attempts to balance or reduce the federal and state budgets by decreasing funding of Medicaid may negatively impact spending for Medicaid and other state health care programs spending. Health care providers have been affected significantly in the last several years by changes to federal and state health care laws and regulations, particularly those pertaining to Medicaid. The purpose of much of this statutory and regulatory activity has been to contain the rate of increase in health care costs, particularly costs paid under the Medicaid program. Diverse and complex mechanisms to limit the amount of money paid to health care providers under the Medicaid program have been enacted, and may have a material adverse effect on the operations or financial condition of the Obligated Group.

State Medicaid Programs

While state Medicaid programs are rarely as important as the Medicare program to the operations, financial condition and financial performance of hospitals and other health care providers, state Medicaid programs nevertheless constitute an important payor source for many hospitals and other health care providers. These programs often pay hospitals and other health care providers at levels that are substantially below the actual cost of the care provided. Medicaid is jointly funded by states and the federal government, and adverse economic conditions that reduce state revenues or changes to the federal government's methodology for funding state Medicaid programs may result in lower funding levels and/or payment delays. This could have a material adverse effect on the financial condition and operations of hospitals and other health care providers, including the Obligated Group. As COVID-19 relief measures lifted, states were able to restart their Medicaid redetermination process for individuals enrolled in Medicaid. In the past year, about 20 million people have been disenrolled from Medicaid. This number is expected to increase. From this number, nearly a quarter of those disenrolled say they are now uninsured. An increase in uninsured individuals can lead to reimbursement and payment issues for hospitals and health systems that provide care to the uninsured.

Children's Health Insurance Program

The Children's Health Insurance Program ("CHIP") is a federally funded insurance program for families that are financially ineligible for Medicaid, but cannot afford commercial health insurance. CMS administers CHIP, but each state creates its own program based upon minimum federal guidelines. CHIP insurance is provided through private health plans contracting with the state. Each state must periodically submit its CHIP plan to CMS for review to determine if it meets the federal requirements. If it does not meet the federal requirements, a state can lose its federal funding for the program.

From time to time, Congress and/or the President may seek to expand, reduce or fail to authorize CHIP. Most recently, in February, Congress voted to extend CHIP for an additional four years, effectively extending CHIP through 2027.

Medicare/Medicaid Conditions of Participation

Certain health care facilities must comply with standards called "*Conditions of Participation*" in order to be eligible for Medicare and Medicaid reimbursement. Under the Medicare rules, hospitals accredited by an approving accrediting body, such as The Joint Commission, are deemed to meet most of the Conditions of Participation. However, CMS may request that the state agency responsible for licensing hospitals, on behalf of CMS, conduct a "sample validation survey" of a hospital to determine whether it is complying with the Medicare or Medicaid Conditions of Participation. Failure to maintain The Joint Commission accreditation or to otherwise comply with the Conditions of Participation could have a material adverse effect on the financial condition of the Obligated Group.

Wisconsin Medicaid and Wisconsin Healthcare Laws and Regulations

In Wisconsin, Medicaid is administered by the Wisconsin Department of Health Services (the “WDHS”). Payments made to health care providers under the Medicaid program are subject to change as a result of federal or state legislative and administrative actions, including changes in the methods for calculating payments, the amount of payments that will be made for covered services and the types of services that will be covered under the program. As described under “The Affordable Care Act – *Medicaid Expansion*” above, one component of the Affordable Care Act is designed to incentivize states to expand their Medicaid programs to individuals earning up to 138% of the federal poverty level by offering additional Medicaid funding to participating states. Wisconsin has decided not to expand its Medicaid programs to cover such individuals and thus has declined the additional federal funding tied to such expansion. Instead, Wisconsin’s Medicaid program is limited to individuals earning 100% of the federal poverty level. Since Wisconsin began the process of redeterminations for Medicaid coverage, the WDHS reports that enrollees have dropped from a peak of 1.68 million in May 2023 to 1.39 million in March 2024.

Medicaid Inpatient Hospital Services

Wisconsin Medicaid payments for inpatient services are based on a DRG system. While the Wisconsin Medicaid DRG system is similar to the Medicare DRG system, certain differences apply. Separate Medicaid base rates are paid for hospitals located in the counties in which the System operates and those located elsewhere in the state. The base rate is adjusted for a Medicaid DRG factor (different from the Medicare DRG factor) for each patient. As with the Medicare system, there is also an adjustment to the base rate for regional wage differences. There are also adjustments for indirect medical education, disproportionate share hospitals, rural hospitals, and cost outliers. There are additional payments for direct medical education and capital costs. A Wisconsin hospital with a total cost of treating Medicaid patients that exceeds the prospective payment rate will incur a loss on such services.

Wisconsin Medicaid Outpatient Hospital Services

Under the Wisconsin Medicaid program, hospitals are reimbursed for outpatient services under the Enhanced Ambulatory Patient Grouping (“EAPG”) system. There is no retrospective final settlement based on the hospital’s audited cost report as EAPG payments are considered final and not subject to cost settlement.

Wisconsin Medicaid Physician Payments

In Wisconsin physicians are reimbursed for Medicaid covered services at the lesser of the physician’s usual and customary charge or the maximum allowable fee established by WDHS. The maximum allowable fees are based on various factors, including a review of the Wisconsin Legislature’s medical expense budgetary constraints and other relevant economic information. Maximum allowable fees may be adjusted to reflect reimbursement limits on the availability of state and federal funding as specified in federal law.

Wisconsin Hospital Assessment Fund

The Wisconsin Hospital Assessment is a program in which WDHS levies a payment from Wisconsin acute care hospitals, rehabilitation hospitals, and critical access hospitals on a quarterly basis. These dollars, plus matching contributions from the federal government, are then used to fund hospital access payments, hospital supplemental payments, and reinvestment in the broader Wisconsin Medicaid program. The amount due from each hospital each quarter is a uniform percentage of each hospital’s gross revenues, and therefore varies from hospital to hospital.

Critical Access Hospital Reimbursements

CMS reimburses most hospitals for providing Medicare services through “prospective payment systems” with predetermined rates for various diagnosis groups. Hospitals that received a designation that it is a critical access hospital (“CAH”), however, receive higher “cost-based” reimbursement rates for many Medicare services. In the past, CAH cost-based Medicare reimbursement has come under scrutiny as part of deficit reduction discussions. There can be no assurance that CAH reimbursement will continue at current levels. The System currently operates MMC-Park Falls, MMC-Ladysmith and MMC-Neillsville, which are facilities designated as a CAH. To the extent future

legislation decreases or eliminates CAH cost-reimbursement, such changes may require the System to adjust its acute care strategy.

Audits, Fines, Withholds and Enforcement Actions

The DOJ, the Federal Bureau of Investigation and the DHHS Office of the Inspector General (“OIG”) have been conducting investigations and audits of the billing practices of many health care providers. The Members of the Obligated Group may be required to undergo such audits by one or more of these agencies and may be required to make payments to resolve any such audits. It is possible that any such payments may be substantial and could have a material adverse effect on the results of operations or financial condition of the Obligated Group.

In addition, HIPAA (defined and described below) also added provisions that outlaw certain types of manipulative Medicare billing practices. These include improperly coding (for billing purposes) services rendered in order to claim a higher level of reimbursement and billing for the provision of services or items that were not medically necessary. HIPAA also created two new crimes that are based on the traditional crimes of fraud and theft but are applied specifically to health benefit programs. This law increases the legal risk of provider billing and increases the risk that a Medicare provider will be the subject of a fraud investigation.

The federal Medicaid Integrity Program was the first federal program established to combat fraud and abuse in the state Medicaid programs. Congress determined a federal program was necessary due to the substantial variations in state Medicaid enforcement efforts. The Medicaid Integrity Program’s enforcement efforts support existing state Medicaid Fraud Control Units.

Medicare and Medicaid audits may result in reduced reimbursement or repayment obligations related to past alleged overpayments and may also delay Medicare or Medicaid payments to providers pending resolution of the appeals process. The ACA explicitly gives DHHS the authority to suspend Medicare and Medicaid payments to a provider or supplier during a pending investigation of fraud. The ACA also amended certain provisions of the FCA (as defined below) to include retention of overpayments as a false claim.

CMS has implemented a Recovery Audit Contractor (“RAC”) program on a nationwide basis pursuant to which CMS contracts with private contractors to conduct pre- and post-payment reviews to detect and correct improper payments in the fee-for-service Medicare program. The ACA expands the RAC program’s scope to include managed Medicare plans and Medicaid claims. CMS also employs Medicaid Integrity Contractors to perform post-payment audits of Medicaid claims and identify overpayments. These programs tend to result in retroactively reduced payment and higher administration costs to hospitals.

Exclusions from Medicare or Medicaid Participation

The government must exclude from Medicare/Medicaid program participation a health care provider that is convicted of a criminal offense relating to the delivery of any item or service reimbursed under Medicare or a state health care program, any criminal offense relating to patient neglect or abuse in connection with the delivery of health care, fraud against any federal, state or locally financed health care program or an offense relating to the illegal manufacture, distribution, prescription or dispensing of a controlled substance. The government also may exclude individuals or entities under certain other circumstances, such as an unrelated conviction of fraud or other financial misconduct relating either to the delivery of health care in general or to participation in a federal, state or local government program. Exclusion from the Medicare/Medicaid program means that a health care provider would be decertified and no program payments can be made. Any exclusion of a Member of the Obligated Group could have a materially adverse effect on the financial condition or operations of the Members of the Obligated Group.

Review of Outlier Payments

CMS is reviewing health care providers that are receiving large proportions of their Medicare revenues from outlier payments. Health care providers found to have obtained inappropriately high outlier payments will be subject to further investigation by the CMS Program Integrity Unit and potentially the OIG.

Surprise Billing

As of January 1, 2022, patients are protected by legislation from surprise medical bills that arise from out-of-network emergency care, certain ancillary services provided by out-of-network providers at in-network facilities, and for out-of-network care provided at in-network facilities without the patient's informed consent (the "*No Surprises Act*"). Patients are required to pay only the in-network cost-sharing amount, which is determined through a formula established by the DHHS Secretary and counts toward the patient's health plan deductible and out-of-pocket cost-sharing limits. Providers are not permitted to balance bill patients beyond the cost-sharing amount. Both providers and health plans are required to inform patients about these protections. Although surprise billing laws are important for protecting patients, they can reduce the bargaining power of hospitals with payors and ultimately lead to lower revenues. The ultimate effect of the No Surprises Act on the Obligated Group's operations and financial condition cannot be predicted at this time.

Price Transparency Rule

On January 1, 2021, the CMS Price Transparency Rule (the "*Price Transparency Rule*") went into effect, requiring hospitals to publish gross charges, discounted cash prices, payor-specific negotiated charges, and minimum and maximum negotiated charges for all items and services provided by the hospital. Hospitals are also required to publish a consumer-friendly list of standard charges for at least 300 shoppable services – generally, non-emergency services that patients can schedule in advance. Failure to comply with these requirements may result in daily monetary penalties to the hospital. The Price Transparency Rule could result in further legislative or regulatory action to restrain hospital rates or charges. Additionally, the availability of competitively sensitive rate information among hospitals, insurers, and employer sponsors of group health plans could lead to market distortions and possible anti-competitive effects that could impact hospital rates and revenue. The publication of hospital standard charges, including negotiated charges, could also result in changes to patient choice that may negatively impact the Obligated Group. Initially, the penalty for noncompliance by a hospital was a maximum of \$109,500 annually. However, the Biden administration, in response to widespread noncompliance with the Price Transparency Rule, finalized a rule change in 2022 that increased the maximum penalty for hospitals with over 550 beds to \$2,007,500, and for hospitals with a range of 31 beds through 550 beds, a civil monetary penalty of \$10 per bed per day, with the total maximum penalty being \$2,007,500. Because of the prevalence of noncompliance with the Price Transparency Rule after its enactment, the federal government increased enforcement of it. Accordingly, compliance with the Price Transparency Rule could have an adverse effect upon the future financial condition and operations of the Obligated Group.

Certain Risks Relating to Health Insurance Companies

Security Health Plan of Wisconsin, Inc. ("*Security Health Plan*"), while not a Member of the Obligated Group, is a member of the System, and is an integral part of the System's mission to offer a provide coordinated delivery of health care services. As a health insurance company, Security Health Plan is subject to many of the same or similar risks as other health care organizations as described in this "BONDHOLDERS' RISKS" section of this Official Statement, as well as certain other risks specifically associated with the health insurance industry.

The health insurance industry is a highly regulated industry. Such regulations may be enforced in ways or change from time to time in ways that can have material adverse consequences for a health insurance company. The ACA had a significant impact on health insurance companies. Expanded health insurance coverage increased membership enrollment and changed the composition of the enrolled population, resulting in a capacity strain on provider networks or unanticipated service costs, as well as increased revenue. For some insurers, the new, subsidized coverage under the ACA did generate margins similar to those health insurance companies have previously realized in the commercial markets. The ACA also instituted new requirements and restrictions on health insurance issuers, including but not limited to precluding them from imposing pre-existing condition exclusions, which can have a material adverse effect on the profitability of a health insurance company.

The insurance industry is also a highly competitive industry. Health insurance companies depend significantly for revenue on enrollment by corporations and other employers in health plans to provide health care insurance coverage for employees. Large employer groups account for a substantial portion of most health insurance companies' membership base, and withdrawal by any single large employer group from a health insurance company's network could result in the loss of a material number of covered lives. Failure to maintain employer contracts generally

could have the effect of reducing the benefits enrollment base and the resulting patient base of a health insurance company. Also cuts in Medicare reimbursement, Medicare Advantage payments and Medicaid reimbursement could have an adverse effect on a health insurance company.

Security Health Plan is exempt from federal taxation pursuant to Section 501(c)(4) of the Code. The IRS has indicated that certain tax-exempt health maintenance organizations may be inconsistent with their tax-exempt status under the Code. A determination that Security Health Plan is no longer an entity described under the Code would subject net earnings of Security Health Plan to federal income taxation. Management of the Corporation believes that such tax may be material.

Patient Records and Confidentiality

The Health Insurance Portability and Accountability Act, as amended, and its implementing regulations (“HIPAA”) provides data privacy and security requirements for safeguarding medical information. HIPAA, which applies to business associates, health plans, health care clearinghouses, and health care providers who conduct the standard health care transactions electronically, includes both (1) a “privacy rule,” which sets forth national standards for the protection of individually identifiable protected health information (“PHI”), and (2) a “security rule,” which sets forth national standards for protecting the confidentiality, integrity, and availability of electronic PHI. Failure to comply with HIPAA can result in both criminal and civil fines and penalties. States may have privacy or consumer protection laws that are broader than HIPAA, and unlike HIPAA, authorize a private right of action. Management of the Corporation believes the Members of the Obligated Group are in material compliance with HIPAA and similar state privacy laws and regulations, including breach report obligations, but no assurance can be given that a violation resulting in penalties will not be assessed. Any sanctions imposed as a result of a HIPAA or state privacy law violation could have a material adverse effect on the Obligated Group’s business or financial condition.

Civil and Criminal Fraud and Abuse Laws and Enforcement

The federal Civil Monetary Penalties Law (the “CMP Law”) provides for administrative sanctions against health care providers for a broad range of billing and other abuses. For example, penalties may be imposed for the knowing presentation of claims that are (i) incorrectly coded for payment, (ii) for services that are known to be medically unnecessary, (iii) for services furnished by an excluded party, or (iv) otherwise false. An entity that offers remuneration to an individual that the entity knows is likely to induce the individual to receive care from a particular provider may also be fined. Under the ACA, Congress amended the CMP Law to authorize civil monetary penalties for a number of additional activities, including (i) knowingly making or using a false record or statement material to a false or fraudulent claim for payment, (ii) failing to grant the OIG timely access for audits, investigations, or evaluations, and (iii) failing to report and return a known overpayment within statutory time limits. Different amounts of penalties and assessments may be authorized based on the type of violation, and the amounts are adjusted yearly for inflation. Civil monetary penalties also may include an assessment of up to three times the amount claimed for each item or service, or up to three times the amount of remuneration offered, paid, solicited or received. Civil monetary penalties can add up quickly and result in multi-million dollars judgments or settlements that could materially and adversely impact the Obligated Group.

False Claims Act

The federal False Claims Act (“FCA”) makes it illegal to knowingly submit or present a false, fictitious or fraudulent claim to the federal government (e.g. the Medicare or Medicaid programs) for payment or approval for payment. Because the term “knowingly” is defined broadly under the law to include not only actual knowledge but also deliberate ignorance or reckless disregard of the facts, the FCA can be used to punish a wide range of conduct. Accordingly, FCA investigations and cases have become common in the health care industry and may cover a range of activity from intentionally inflated billings, to highly technical billing infractions, to allegations of unnecessary or inadequate care. Additionally, a claim connected to a Stark Law or Anti-Kickback Statute violation may be deemed a false claim in violation of the FCA. The ACA expanded the reach of the FCA to include, among other things, failure to report and return known overpayments within statutory limits. Filing false claims in violation of the FCA can result in civil fines, substantial per claim penalties plus monetary penalties up to three times the amount of damages sustained by government (e.g. the amount falsely billed to the Medicare or Medicaid program). These fines can add up quickly and result in multi-million-dollar judgments or settlements. Additionally, violation or alleged violation of the FCA

can result in payment suspension pending investigation, the imposition of corporate integrity agreements, or exclusion from Medicare and Medicaid.

The qui tam or “whistleblower” provisions of the FCA allow a private individual to bring an FCA action on behalf of the government. As part of the resolution of a qui tam case, the whistleblower may share in a portion of any FCA settlement or judgment. Qui tam actions can also be filed under certain state false claims laws if the fraud involves Medicaid funds or funding from state and local agencies. In recent years, there has been a large increase in the number of FCA qui tam actions. Because qui tam lawsuits are kept under seal while the federal government evaluates whether the United States will join the lawsuit, it is difficult to determine whether any such actions are pending.

In June 2016, the U.S. Supreme Court in *Universal Health Services, Inc. v. United States ex rel. Escobar* held that the theory of “implied false certification” can be used as a basis for FCA liability when (1) a claim does more than merely request payment and makes specific representations about the nature of the goods or services provided; and (2) the failure to disclose noncompliance with material statutory, regulatory or contractual provisions makes the representations “misleading half-truths.” The application of this new standard is unclear but could lead to an increase in FCA claims in the health care industry based on this theory of liability.

The Deficit Reduction Act provides financial incentives to states that pass similar false claims statutes or amend existing false claims statutes that track the FCA more closely with regard to penalties and rewards to qui tam relators. A number of states have passed similar false claims statutes, some of which expand the prohibition against false claims submitted to non-government third-party payors. Management of the Corporation is not currently aware of any overpayments or pending or threatened claims, investigations or enforcement actions under the FCA or state false claims laws which, if determined adversely to a Member of the Obligated Group, would have a material adverse effect on the Obligated Group’s business or financial condition. No assurance can be given that FCA actions will not be filed and a violation found. Sanctions imposed as a result of an FCA or state false claims law violation could have a material adverse effect on the Obligated Group’s business or financial condition.

Anti-Kickback Statutes

The federal Anti-Kickback Statute is a felony criminal law that prohibits the knowing and willful payment of “remuneration” to induce or reward patient referrals or the generation of business involving any item or service payable by the federal health care programs (e.g., drugs, supplies, or health care services for Medicare or Medicaid patients). Remuneration includes anything of value and can take many forms besides cash (e.g., free rent, free hotel stays and meals, and excessive compensation for medical directorships or consultancies). The Anti-Kickback Statute applies to both the payors of kickbacks (those who offer or pay remuneration) as well as the recipients of kickbacks (those who solicit or receive remuneration). Anti-Kickback “safe harbors” described in federal regulations protect certain payment and business arrangements that could otherwise implicate the Anti-Kickback Statute from criminal and civil prosecution (e.g., personal services and rental agreements, investments in ambulatory surgical centers, and payments to bona fide employees), but in order to be protected by a safe harbor, an arrangement must squarely meet each safe harbor element. Failure to squarely meet all the required elements of a safe harbor does not necessarily render the conduct or business arrangement illegal under the Anti-Kickback Statute. Rather, such conduct or business arrangements may be subject to increased regulatory scrutiny. Criminal penalties, civil monetary penalties and administrative sanctions for violating the Anti-Kickback Statute include substantial fines per kickback plus monetary penalties up to three times the amount of damages sustained by government, jail terms, and exclusion from participation in the federal health care programs. In addition, under the ACA, submission of a claim for services or items generated in violation of the Anti-Kickback Statute constitutes a false or fraudulent claim subject to additional penalties under the federal FCA.

In addition to the federal Anti-Kickback Statute, many states, including the states in which the Obligated Group operates, have anti-kickback and/or fee-splitting statutes designed to prohibit inducements or improper remuneration for the referral of patients. In some cases, state statutes are broader or carry larger fines than corresponding federal law. Management of the Corporation believes its policies, procedures and business arrangements have been and currently are in material compliance with the Anti-Kickback Statute and state anti-kickback and fee-splitting laws and regulations but no assurance can be given that a violation will not be found. Any sanctions imposed as a result of an Anti-Kickback Statute or similar state law violation could have a material adverse effect on the Obligated Group’s business or financial condition.

Physician Self-Referral Laws

The Ethics in Patient Referrals Act of 1989, as amended in the Omnibus Budget Reconciliation Act of 1993 and subsequently amended (collectively, the “*Stark Law*”), prohibits the referral of Medicare patients for certain “designated health services” (including inpatient and outpatient hospital services, clinical laboratory services, and radiology and other imaging services) to entities with which the referring physician (or an immediate family member) has a financial relationship unless that relationship fits within an exception to the Stark Law. It also prohibits a hospital, or other provider, furnishing the designated health services from billing Medicare, or any other government health care program for services performed pursuant to a prohibited referral. Importantly, the Stark Law is a strict liability statute, meaning that one can violate the law without any intent to do so. Statutory and regulatory exceptions to the Stark Law’s referral prohibition can protect a broad range of common financial relationships between referring physicians and a designated health services provider such as a hospital (e.g., employment relationships, relocation arrangements, leases, group practice arrangements, or medical directorships). If the relationship does not squarely meet the elements of a Stark Law exception, it will result in violation of the law. All providers of designated health services with physician relationships have some exposure to liability under the Stark Law.

Penalties for violation of the Stark Law include denial of payment, recoupment, refunds of amounts paid in violation of the law, exclusion from the Medicare or Medicaid program, and substantial civil monetary penalties. Violation of the Stark Law may also provide the basis for a claim under the FCA.

Medicare may deny payment for all services performed based on a prohibited referral and a hospital that has billed for prohibited services is obligated to refund the amounts collected from the Medicare program or to make a self-disclosure to CMS under its Self-Referral Disclosure Protocol. For example, if an office lease between a hospital and a large group of heart surgeons is found to violate the Stark Law, the hospital could be obligated to repay CMS for the payments received from Medicare for all of the heart surgeries performed by all of the physicians in the group for the duration of the lease; a potentially significant amount. As a result, even relatively minor, technical violations of the Stark Law may trigger substantial refund obligations. Moreover, where there are “knowing” violations of the Stark Law, the government may seek substantial civil monetary penalties under FCA, and in some cases, a hospital may be excluded from the Medicare and Medicaid programs. Potential repayments to CMS, settlements, fines or exclusion for a Stark Law violation or alleged violation could have a material adverse effect on a hospital and other health care providers. Increasingly, the federal government is prosecuting Stark Law violations under the FCA, based on the argument that claims resulting from an illegal referral arrangement are also false claims for FCA purposes. *See* the discussion under the subheading “False Claims Act” above. The DOJ and others have asserted that Medicaid referrals in which a non-expected financial arrangement exists under the Stark Law also create FCA exposure, and have had some success with these arguments in certain courts.

Many states have adopted self-referral prohibitions similar to the Stark Law, some of which may be broader in scope and carry larger fines than the federal statute. Management of the Corporation believes the Members of the Obligated Group’s policies, procedures and business arrangements have been and currently are in material compliance with the Stark Law and similar state physician referral laws, but no assurance can be given that a violation will not be found. Any sanctions imposed as a result of a Stark Law or similar state law violation could have a material adverse effect on the Obligated Group’s business or financial condition.

CMS has established a voluntary self-disclosure program under which hospitals and other entities may report Stark Law violations and seek a reduction in potential refund obligations. The Members of the Obligated Group may make self-disclosures under this program as appropriate from time to time. Any submission pursuant to the self-disclosure program does not waive or limit the ability of the OIG or DOJ to seek or prosecute violations of the Anti-Kickback Statute or impose civil monetary penalties.

State “Fraud” and “False Claims” Laws

Hospital providers in the states in which the Obligated Group provides services also are subject to a variety of state laws related to false claims (similar to the FCA or that are generally applicable false claims laws), anti-kickback (similar to the federal Anti-Kickback Statute or that are generally applicable anti-kickback or fraud laws), and physician referral (similar to the Stark statute). In some cases, the state statutes are broader or carry larger fines than corresponding federal law. These prohibitions, while similar in public policy and scope to the federal laws, have

not in all instances been avidly enforced to date. However, in the future they could pose the possibility of material adverse effect for the same reasons as the federal statutes.

EMTALA

The Emergency Medical Treatment and Labor Act (“*EMTALA*”) is a federal civil statute that requires Medicare-participating hospitals with emergency departments to conduct a medical screening examination to determine the presence or absence of an emergency medical condition and to provide treatment sufficient to stabilize such emergency medical condition before discharging or transferring the patient. A hospital that violates EMTALA is subject to substantial civil penalties per offense and exclusion from the Medicare and Medicaid programs. EMTALA also provides for a limited private right of action against hospitals, and as a result a hospital could be subject to claims for personal injury where an individual suffers harm as result of an EMTALA violation.

Management of the Corporation believes the Members of the Obligated Group’s policies and procedures are in material compliance with EMTALA, but no assurance can be given that a violation of EMTALA will not be found. Any failure of a Member of the Obligated Group to meet its responsibilities under EMTALA could have a material adverse effect on the Obligated Group’s business or financial condition.

Administrative Enforcement

Administrative regulations may require less proof of a violation than do criminal laws and thus, health care providers may have a higher risk of imposition of monetary penalties as a result of an administrative enforcement action.

Enforcement Activity

Enforcement activity against health care providers has increased and enforcement authorities have adopted aggressive approaches. In the current regulatory climate, it is anticipated that many hospitals and physician groups will be subject to an audit, investigation or other enforcement action regarding the health care fraud laws mentioned above. Enforcement authorities are often in a position to compel settlements by providers charged with or being investigated for false claims violations by withholding or threatening to withhold Medicare, Medicaid and/or similar payments and/or by instituting criminal action. In addition, the cost of defending such an action, the time and management attention consumed, and the facts of a case may dictate settlement. Therefore, regardless of the merits of a particular case, a hospital could experience materially adverse settlement costs, as well as materially adverse costs associated with implementation of any settlement agreement. Prolonged and publicized investigations could be damaging to the reputation and business of a hospital, regardless of outcome.

Certain acts or transactions may result in violation or alleged violation of a number of the federal health care fraud laws described below and therefore, penalties or settlement amounts often are compounded. Generally, these risks are not covered by insurance. Enforcement actions may involve multiple hospitals in a health system, as the government often extends enforcement actions regarding health care fraud to other hospitals in the same organization. Therefore, Medicare fraud related risks identified as being materially adverse as to a hospital could have materially adverse consequences to a health system taken as a whole.

Increased Enforcement Affecting Academic Research

In addition to increasing enforcement of laws governing payment and reimbursement, the federal government has also stepped up enforcement of laws and regulations governing the conduct of clinical trials at hospitals. DHHS elevated and strengthened its Office for Human Research Protections, one of the agencies with the responsibility for monitoring federally funded research. The Food and Drug Administration (“*FDA*”) also has authority over the conduct of clinical trials performed in hospitals when these trials are conducted on behalf of sponsors seeking FDA approval to market the drug or device that is the subject of the research. Moreover, the OIG has included several enforcement initiatives related to reimbursement for experimental drugs and devices and claims for clinical trial-related services on its “Work Plans”. These agencies’ enforcement powers range from substantial fines and penalties to exclusion of researchers and suspension or termination of entire research programs.

Additional State Regulation

The ACA imposes significant obligations on states related to health care insurance. Prior to the passage of the ACA, many states increased regulations related to the managed care industry. State legislatures cited their right and obligation to regulate and oversee health care insurance and enacted sweeping measures that aimed to protect consumers and, in some cases, providers. For example, a number of states enacted laws mandating a minimum of 48-hour hospital stays for women after delivery; laws prohibiting “gag clauses” (contract provisions that prohibit providers from discussing various issues with their patients); laws defining “emergencies,” which provide that a health care plan may not deny coverage for an emergency room visit if a lay person would perceive the situation as an emergency; and laws requiring direct access to obstetrician-gynecologists without the requirement of a referral from a primary care physician. It is unclear how the increased federal oversight of state health care may affect the probability of future increased state oversight or impact the Obligated Group.

Due to this increased oversight, the Obligated Group could become subject to a variety of state health care laws and regulations affecting health care providers. In addition, the Obligated Group could be subject to other state laws and regulations.

RATINGS

S&P has assigned an insured rating of “AA” (stable outlook) to the Insured Bonds reflecting the issuance and delivery of the Bond Insurance Policy. S&P has assigned the rating of “BBB” (negative outlook) to the Series 2024A Bonds and Fitch has assigned the rating of “BBB” (stable outlook) to the Series 2024A Bonds, each without regard to the Bond Insurance Policy. The ratings and an explanation of their significance may be obtained from the rating agency furnishing such rating. Such ratings reflect only the respective views of the rating agencies and do not constitute a recommendation to buy, sell or hold the Series 2024A Bonds and may be subject to revision or withdrawal at any time.

The Corporation has furnished such rating agencies with certain information and materials relating to the Series 2024A Bonds and the Obligated Group that have not been included in this Official Statement. Generally, rating agencies base their ratings on the information and materials so furnished and on investigations, studies, and assumptions by the rating agencies. There is no assurance that a particular rating will be maintained for any given period of time or that it will not be lowered or withdrawn entirely if, in the judgment of the agency originally establishing the rating, circumstances so warrant. None of the Authority, the Underwriters or the Corporation have undertaken any responsibility to bring to the attention of the holders of the Series 2024A Bonds any proposed revision or withdrawal of the rating of the Series 2024A Bonds or to oppose any such proposed revision or withdrawal. Any such change in or withdrawal of such rating could have an adverse effect on the market price of the Series 2024A Bonds.

FINANCIAL STATEMENTS

The consolidated financial statements of Marshfield Clinic Health System, Inc. and Subsidiaries as of December 31, 2023 and 2022 and for the years then ended, included in APPENDIX B to this Official Statement, have been audited by Forvis Mazars, LLP (formerly FORVIS, LLP), independent auditors, as stated in their report appearing therein.

LITIGATION

The Authority

There is not now pending or, to the knowledge of the Authority, threatened any litigation restraining or enjoining the issuance or delivery of the Series 2024A Bonds or questioning or affecting the validity of the Series 2024A Bonds or the proceedings or authority under which they are to be issued. None of the creation, organization or existence of the Authority or the title of the present members or other officials of the Authority to their respective positions is being contested. There is no litigation pending or, to the Authority’s knowledge, threatened which in any

manner questions the right of the Authority to enter into the Bond Indenture or the Loan Agreement or to secure the Series 2024A Bonds in the manner provided in the Bond Indenture and the Act.

The Corporation

There is no litigation pending or threatened which in any manner questions the right of the Corporation to secure the Series 2024A Bonds in accordance with the provisions of the Bond Indenture, the Loan Agreement or the Master Indenture. There is no litigation, proceeding or investigation pending or, to the System's knowledge, threatened except litigation, proceedings or investigations in which the probable ultimate recoveries and the estimated costs and expenses of defense, either will be entirely within the applicable insurance policy limits of the System (subject to applicable deductibles) or will not have a materially adverse effect on the operations or condition, financial or otherwise, of the System. See "OPERATIONS – Litigation" in APPENDIX A hereto for a more detailed description of current litigation.

LEGAL MATTERS

Legal matters incident to the authorization and validity of the Series 2024A Bonds are subject to the approval of Quarles & Brady LLP, Bond Counsel to the Authority, whose approving opinion will be delivered with the Series 2024A Bonds. Certain legal matters will be passed on for the Authority by Quarles & Brady LLP, its general counsel, for the Corporation and the other Members of the Obligated Group by their counsels, Conway, Olejniczak, & Jerry, S.C., Husch Blackwell LLP and Orrick, Herrington & Sutcliffe LLP, and for the Underwriters by their counsel, Hawkins Delafield & Wood LLP.

TAX MATTERS

In General

The opinion of Bond Counsel is based on laws and official interpretations of them that are in existence on the date the Series 2024A Bonds are issued. There can be no assurance that those laws or the interpretations of them will not change or that new laws will not be enacted or regulations issued while the Series 2024A Bonds are outstanding in a manner that would adversely affect the value of any investment in the Series 2024A Bonds or the tax treatment of the interest paid on the Series 2024A Bonds.

Federal Income Tax Opinion of Bond Counsel

Quarles & Brady LLP, Bond Counsel, will deliver a legal opinion with respect to the federal income tax exemption applicable to the interest on the Series 2024A Bonds under existing law in substantially the form attached as APPENDIX E hereto.

Wisconsin Income Tax

The interest on the Series 2024A Bonds is not exempt from present Wisconsin income taxes.

Original Issue Discount

To the extent that the initial public offering price of certain of the Series 2024A Bonds is less than the principal amount payable at maturity, such Series 2024A Bonds ("*Discounted Bonds*") will be considered to be issued with original issue discount. The original issue discount is the excess of the stated redemption price at maturity of a Discounted Bond over the initial offering price to the public, excluding underwriters or other intermediaries, at which price a substantial amount of such Discounted Bonds were sold ("*issue price*"). With respect to a taxpayer who purchases a Discounted Bond in the initial public offering at the issue price and who holds such Discounted Bond to maturity, the full amount of original issue discount will constitute interest that is not includible in the gross income of the owner of such Discounted Bond for federal income tax purposes and such owner will not, subject to the caveats and provisions herein described, realize taxable capital gain upon payment of such Discounted Bond upon maturity.

Original issue discount is treated as compounding semiannually, at a rate determined by reference to the yield to maturity of each individual Discounted Bond, on days that are determined by reference to the maturity date of such Discounted Bond. The amount treated as original issue discount on a Discounted Bond for a particular semiannual accrual period is generally equal to (a) the product of (i) the yield to maturity for such Discounted Bond (determined by compounding at the close of each accrual period) and (ii) the amount that would have been the tax basis of such Discounted Bond at the beginning of the particular accrual period if held by the original purchaser; and less (b) the amount of any interest payable for such Discounted Bond during the accrual period. The tax basis is determined by adding to the initial public offering price on such Discounted Bond the sum of the amounts that have been treated as original issue discount for such purposes during all prior periods. If a Discounted Bond is sold or exchanged between semiannual compounding dates, original issue discount that would have been accrued for that semiannual compounding period for federal income tax purposes is to be apportioned in equal amounts among the days in such compounding period.

For federal income tax purposes, the amount of original issue discount that is treated as having accrued with respect to such Discounted Bond is added to the cost basis of the owner in determining gain or loss upon disposition of a Discounted Bond (including its sale, exchange, redemption, or payment at maturity). Amounts received upon disposition of a Discounted Bond that are attributable to accrued original issue discount will be treated as tax-exempt interest, rather than as taxable gain.

The accrual or receipt of original issue discount on the Discounted Bonds may result in certain collateral federal income tax consequences for the owners of such Discounted Bonds. The extent of these collateral tax consequences will depend upon the owner's particular tax status and other items of income or deduction.

The Code contains additional provisions relating to the accrual of original issue discount. Owners who purchase Discounted Bonds at a price other than the issue price or who purchase such Discounted Bonds in the secondary market should consult their own tax advisors with respect to the tax consequences of owning the Discounted Bonds. Under the applicable provisions governing the determination of state and local taxes, accrued interest on the Discounted Bonds may be deemed to be received in the year of accrual even though there will not be a corresponding cash payment until a later year. Owners of Discounted Bonds should consult their own tax advisors with respect to the state and local tax consequences of owning the Discounted Bonds.

Bond Premium

To the extent that the initial offering prices of certain of the Series 2024A Bonds are more than the principal amount payable at maturity, such Series 2024A Bonds ("*Premium Bonds*") will be considered to have bond premium.

Any Premium Bond purchased in the initial offering at the issue price will have "amortizable bond premium" within the meaning of Section 171 of the Code. The amortizable bond premium of each Premium Bond is calculated on a daily basis from the issue date of such Premium Bond until its stated maturity date (or call date, if any) on the basis of a constant interest rate compounded at each accrual period (with straight line interpolation between the compounding dates). An owner of a Premium Bond that has amortizable bond premium is not allowed any deduction for the amortizable bond premium; rather the amortizable bond premium attributable to a taxable year is applied against (and operates to reduce) the amount of tax-exempt interest payments on the Premium Bonds. During each taxable year, such an owner must reduce his or her tax basis in such Premium Bond by the amount of the amortizable bond premium that is allocable to the portion of such taxable year during which the holder held such Premium Bond. The adjusted tax basis in a Premium Bond will be used to determine taxable gain or loss upon a disposition (including the sale, exchange, redemption, or payment at maturity) of such Premium Bond.

Owners of Premium Bonds who did not purchase such Premium Bonds in the initial offering at the issue price should consult their own tax advisors with respect to the tax consequences of owning such Premium Bonds. Owners of Premium Bonds should consult their own tax advisors with respect to the state and local tax consequences of owning the Premium Bonds.

Other Federal Income Tax Considerations

Prospective purchasers of the Series 2024A Bonds should be aware that ownership of the Series 2024A Bonds may result in collateral federal income tax consequences to certain taxpayers. Bond Counsel will not express any opinion as to such collateral tax consequences. Prospective purchasers of the Series 2024A Bonds should consult their tax advisors as to collateral federal, State of Wisconsin and local income tax consequences of owning the Series 2024A Bonds. Investors should consult their tax advisors to determine how the provisions described under this heading and under the subheadings “Bond Premium” and “Original Issue Discount” and other provisions of the Code relating to ownership of tax-exempt obligations apply to them.

From time to time legislation is proposed, and there are or may be legislative proposals pending in the Congress of the United States that, if enacted, could alter or amend the federal tax matters referred to above or adversely affect the market value of the Series 2024A Bonds. It cannot be predicted whether, or in what form, any proposal that could alter one or more of the federal tax matters referred to above or adversely affect the market value of the Series 2024A Bonds may be enacted. Prospective purchasers of the Series 2024A Bonds should consult their own tax advisors regarding any pending or proposed federal tax legislation. Bond Counsel expresses no opinion regarding any pending or proposed federal tax legislation.

CONTINUING DISCLOSURE UNDERTAKING

In connection with the issuance of the Series 2024A Bonds, the Corporation, on its own behalf and as Obligated Group Agent on behalf of the Members of the Obligated Group, has agreed that it will provide to the Municipal Securities Rulemaking Board (the “MSRB”) through the MSRB’s Electronic Municipal Market Access system (referred to as “EMMA”) the information required pursuant to the continuing disclosure undertaking made for the benefit of the Series 2024A Bondholders (the “*Continuing Disclosure Undertaking*”). The Continuing Disclosure Undertaking will terminate when all of the Series 2024A Bonds are paid or deemed paid in full. Attached as APPENDIX F is the proposed form of the Continuing Disclosure Undertaking which sets forth the information to be provided on a quarterly (for the first three quarters) and an annual basis, the events which will be noticed on an occurrence basis and the other terms, including termination, amendment and remedies.

Failure by the Corporation to comply with the Continuing Disclosure Undertaking will not constitute an event of default under the Master Indenture, Bond Indenture or Loan Agreement and Series 2024A Bondholders are limited to the remedies described in the Continuing Disclosure Undertaking. See “FORM OF CONTINUING DISCLOSURE UNDERTAKING – Default” in APPENDIX F. Failure by the Corporation to comply with the Continuing Disclosure Undertaking must be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Series 2024A Bonds in the secondary market. Consequently, any such failure may adversely affect the transferability and liquidity of the Series 2024A Bonds and their market price.

FINANCIAL ADVISOR

The System has retained Kaufman, Hall & Associates, LLC (“*Kaufman Hall*”), Chicago, Illinois, a municipal advisory firm registered with the U.S. Securities and Exchange Commission (“SEC”) and the MSRB, as financial advisor in connection with the issuance of the Series 2024A Bonds. Although Kaufman Hall has assisted in the preparation of this Official Statement, Kaufman Hall was not and is not obligated to undertake, and has not undertaken to make, an independent verification and assumes no responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement.

UNDERWRITING

The Underwriters will agree to purchase the Series 2024A Bonds when, as and if issued at an aggregate purchase price of \$389,940,415.79 (reflecting the principal amount of the Series 2024A Bonds plus net original issue premium of \$16,865,984.45, less an underwriting discount of \$1,820,568.66) pursuant to a Bond Purchase Agreement, as accepted by the Corporation and the Authority. The Underwriters reserve the right to join with dealers and other

underwriters in offering the Series 2024A Bonds to the public. The obligation of the Underwriters to accept delivery of the Series 2024A Bonds will be subject to various conditions set forth in Bond Purchase Agreement.

The Underwriters and its affiliates are full service financial institutions engaged in various activities, which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. The Underwriters and their affiliates may in the future perform various investment banking services for the System for which they will receive customary fees and expenses. The Underwriters and their affiliates may currently have and may in the future have investment and commercial banking, trust and other relationships with parties that may relate to assets of, or be involved in the issuance of securities and/or instruments by the Authority and/or Members of the Obligated Group. Under certain circumstances, the Underwriters and their affiliates may have certain creditor and/or other rights against the System in connection with such transactions and/or services.

In the ordinary course of their various business activities, the Underwriters and their affiliates, officers, directors and employees may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of the Authority and/or Members of the Obligated Group (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the Authority and/or Members of the Obligated Group. The Underwriters and their affiliates may also communicate independent investment recommendations, market advice or trading ideas and/or publish or express independent research views in respect of such assets securities or instruments and at any time may hold, or recommend to clients that they should acquire, long and/or short positions in such assets securities or instruments.

BofA Securities, Inc., one of the Underwriters of the Series 2024A Bonds, has entered into a distribution agreement with its affiliate Merrill Lynch, Pierce, Fenner & Smith Incorporated (“MLPF&S”). As part of this arrangement, BofA Securities, Inc. may distribute securities to MLPF&S, which may in turn distribute such securities to investors through the financial advisor network of MLPF&S. As part of this arrangement, BofA Securities, Inc. may compensate MLPF&S as a dealer for its selling efforts with respect to the Series 2024A Bonds.

MISCELLANEOUS

The references herein to the Bond Indenture, the Series 2024A Bonds, the Loan Agreement, the Tax-Exempt Bonds Master Note, the Mortgage and the Master Indenture and other materials are brief outlines of certain provisions thereof. Such outlines do not purport to be complete, and for full and complete statements of such provisions reference is made to such instruments and other materials, executed counterparts of which will be on file at the principal corporate trust office of the Bond Trustee subsequent to the delivery of the Series 2024A Bonds.

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All statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between the Corporation or the Authority and the purchasers or owners of any of the Series 2024A Bonds. The execution and delivery of this Official Statement have been duly authorized by the Authority. The Authority has not, however, prepared nor made any independent investigation of the information contained in the Official Statement except the information under the captions “THE AUTHORITY” and “LITIGATION – The Authority.”

WISCONSIN HEALTH AND EDUCATIONAL
FACILITIES AUTHORITY

By: /s/ Larry D. Wiemer II
Executive Director

This Official Statement is approved:

MARSHFIELD CLINIC HEALTH SYSTEM, INC.

By: /s/ Jeanette Wojtalewicz
Interim Chief Financial Officer

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Appendix A

Marshfield Clinic Health System, Inc. and Affiliates

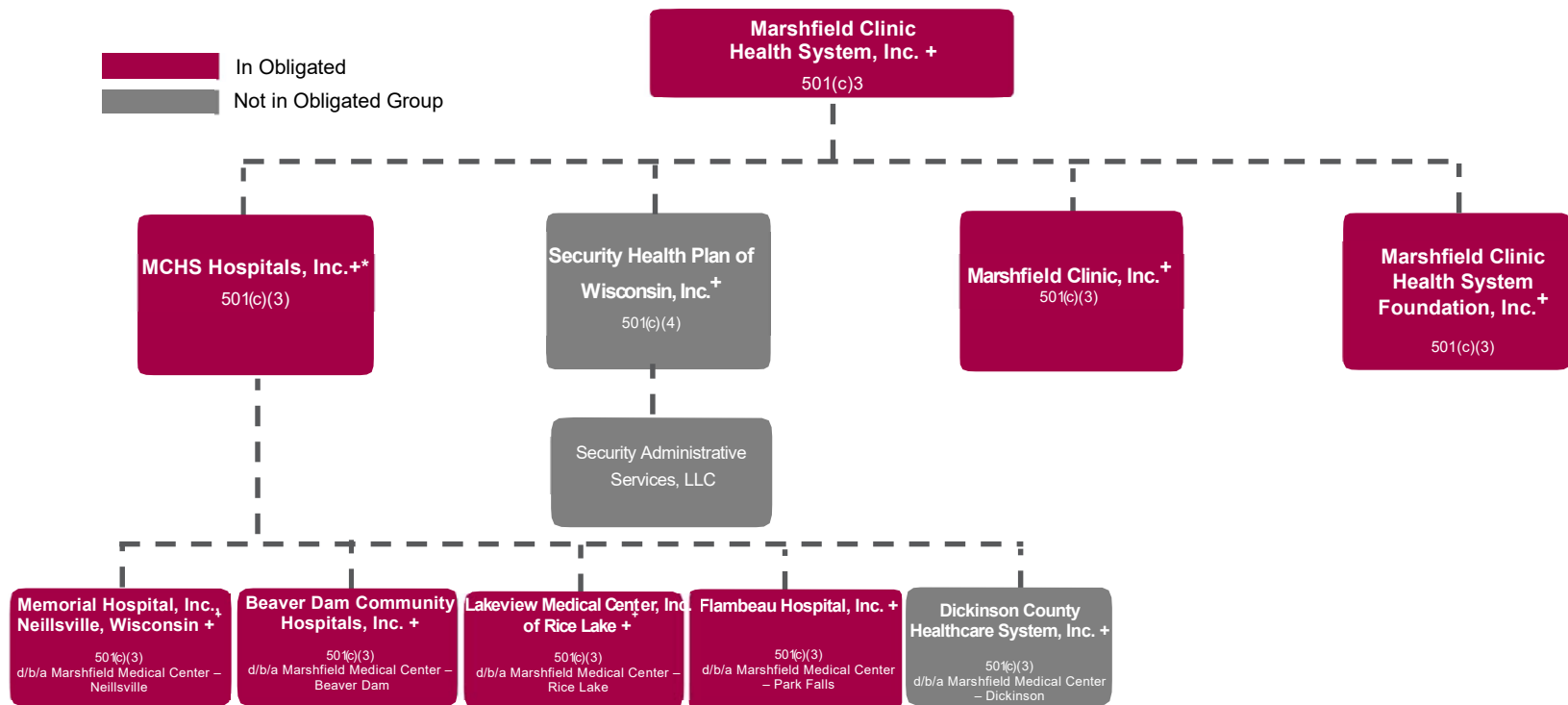
**The information contained in this Appendix A has been
provided by Marshfield Clinic Health System, Inc.**

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This Appendix A does not contain all of the information you should consider before making your investment decision. You should carefully read the entire offering document, including the information presented under the sections entitled “Bondholders’ Risks” and “Regulation of the Health Care Industry” and the financial statements and related notes, before making an investment decision. Capitalized terms used but not otherwise defined in this Appendix A are defined in the forepart of this offering document or in Appendix C-1 to this offering document.

The summary presented in this Appendix A contains forward-looking statements that involve risks and uncertainties. The actual results of the System (as defined herein) subsequent to March 31, 2024, may differ significantly from the results discussed in the forward-looking statements as a result of certain factors, including, but not limited to, those set forth in “Bondholders’ Risks” and “Regulation of the Health Care Industry” in the forepart of this offering document and “MANAGEMENT’S DISCUSSION AND ANALYSIS OF RECENT FINANCIAL PERFORMANCE” in this Appendix A. The System undertakes no obligation to publicly update or review any forward-looking statement as a result of new information or future events.

Excepting only the specific information incorporated by reference herein as set forth in “MANAGEMENT’S DISCUSSION AND ANALYSIS OF RECENT FINANCIAL PERFORMANCE,” any references to websites contained in this offering document are shown for reference and convenience only; the information contained in such websites is not incorporated herein by reference and does not constitute a part of this Appendix A.



+ These organizations have a board of directors or trustees

* MCHS Hospitals, Inc., d/b/a Marshfield Medical Center, Marshfield Medical Center–Eau Claire, Marshfield Medical Center–Ladysmith, Marshfield Medical Center–Minocqua, Marshfield Medical Center–Weston and Marshfield Medical Center–River Region

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INTRODUCTION

This Appendix A to the offering document contains information concerning Marshfield Clinic Health System, Inc., a Wisconsin nonstock, nonprofit corporation (“*MCHS*”), and its affiliates, including the entities that make up the Obligated Group described in more detail below. MCHS is the parent corporation of a group of not-for-profit and for-profit corporations and other organizations that own and operate health care facilities and provide comprehensive health care services, including a health plan, throughout central, northern and western Wisconsin and a portion of the Upper Peninsula of Michigan (collectively, the “*System*”).

Certain financial information and operating data included in this Appendix A is that of the System. Such data includes financial and operating data that is attributable to certain of the entities of the System that are not legally obligated to make any payments with respect to Master Notes, including the Master Note which secures payments on the 2024 bonds (the “*Non-Obligated Group Entities*”).

References to “*MCHS*” are references only to the parent corporation and should not be read to include any of MCHS’ affiliates and subsidiaries. References to “*Marshfield Clinic*” or “*MC*” are references only to Marshfield Clinic, Inc. and should not be read to include any of Marshfield Clinic’s affiliates or subsidiaries.

THE SYSTEM

The System is a patient-focused and clinically driven, physician led integrated regional healthcare provider which has been serving Wisconsin for over 100 years. Its mission is to enrich lives to create healthy communities through accessible, affordable, compassionate health care. The System’s vision is to define the future of health care through innovation and be the consumer’s first choice for health care.

Headquartered in Marshfield, Wisconsin, the System has 65 locations in 45 communities and serves a 50,000 square mile area with a population of 1.4 million residents. It provides care to over 350,000 unique patients⁽¹⁾ throughout central, northern and western Wisconsin and the Upper Peninsula of Michigan through its care delivery network consisting of 11 hospitals, 63 clinics, 6 urgent care centers, 36 clinical laboratory locations, 19 pharmacies, an ambulatory surgery center and a skilled nursing facility. As of March 31, 2024, the System had approximately 11,000 employees including more than 1,400 physicians and allied providers representing over 170 specialties and subspecialties.

The System also owns and operates Security Health Plan of Wisconsin (“*Security Health Plan*”). Security Health Plan provides health insurance to over 221,000 members throughout the state of Wisconsin and is a key component of the System’s care delivery model, providing stability of revenue and allowing for strategic alignment of operations. Management believes this integration allows for efficient care delivery that is aligned around the patient’s needs and facilitates accountability for clinical quality and patient experience.

¹ A unique patient is a patient who receives care from System resources regardless of location and provider type. Each patient is counted only once regardless of how many different departments or locations at which they may have had appointments.

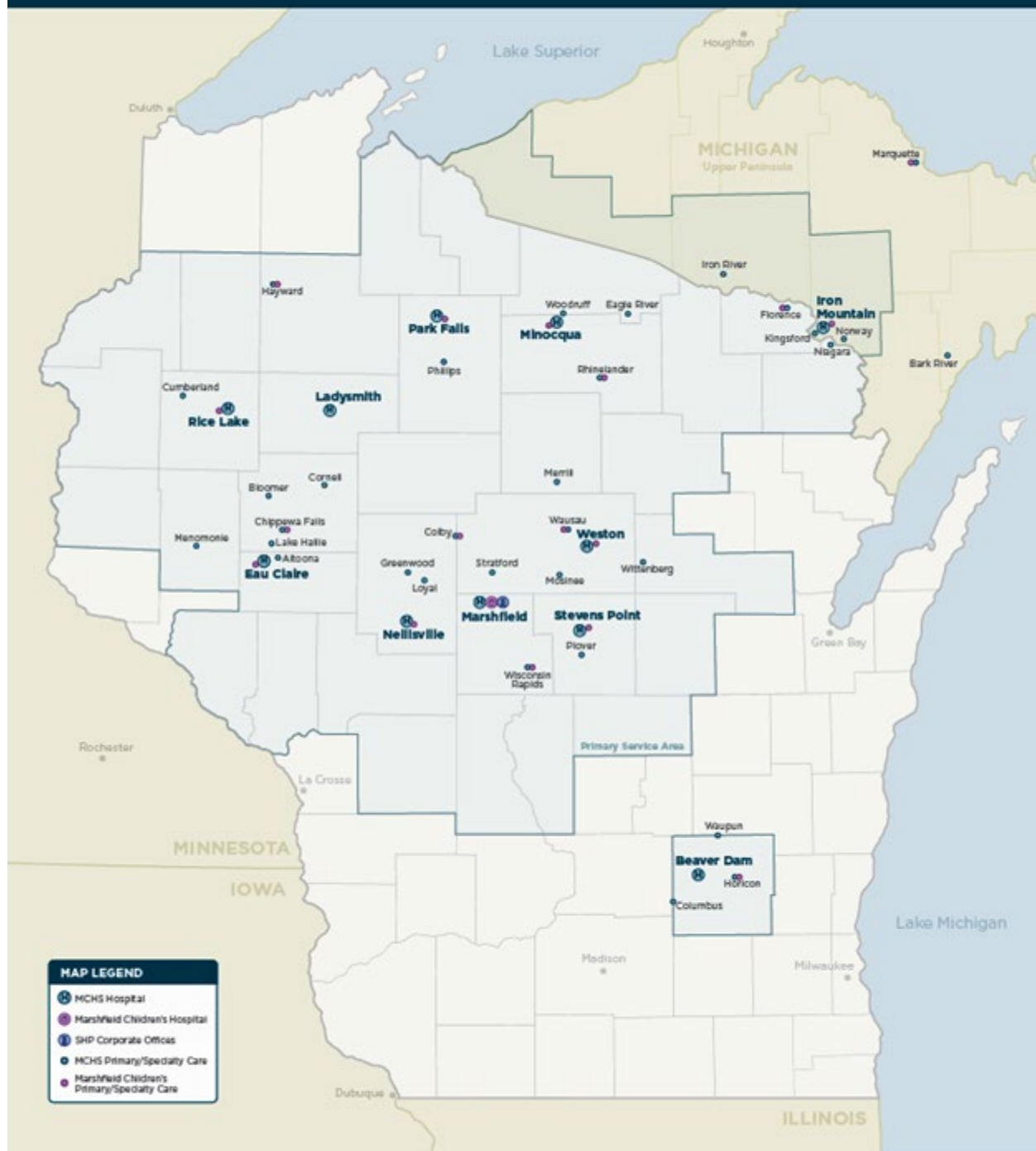
The System had total operating revenues, total assets and total net assets of approximately \$3.1 billion, \$3.1 billion and \$903.8 million, respectively, as of and for the twelve months ended December 31, 2023.

The System is a market leader, maintaining a significant position in its service area, treating approximately 25% of the population within its Primary Service Area (as defined below). The System's market position enhances its ability to create healthy communities by coordinating care around needs of the patient population and allows the System to successfully recruit physicians and other medical personnel. See "SERVICE AREA" below.

A map of the System's care delivery area is set forth on the following page.

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Marshfield Clinic Health System – System of Care



FINANCIAL IMPROVEMENT PLAN AND STRATEGIC PARTNERSHIPS

Financial Improvement

To address recent financial challenges, MCHS has been focused on executing its Financial Improvement Plan (“*FIP*”). To provide additional rigor and support to the financial turnaround efforts, MCHS engaged Kaufman Hall & Associates, LLC (“*Kaufman Hall*”) in November 2023 to complete a comprehensive performance improvement assessment which identified areas of opportunity, quantified the financial impact of these opportunities, and evaluated the multi-year cumulative effect to the System’s financial performance. To further enhance the FIP efforts, MCHS engaged Kaufman Hall in March 2024 to provide additional direct support and resources to support implementation of the agreed upon operational and financial improvement initiatives.

The initiatives included in the FIP are related to improvements in revenue cycle, rates and clinical documentation, cost reductions in the System’s corporate services, improvements in physician enterprise, care transitions, diagnostic imaging, pharmacy and laboratory operations, volume growth, and labor cost reductions through labor productivity improvements and reductions in force. As a part of these efforts, the System completed reductions in force in May 2023 and May 2024. The FIP includes a System-wide review of the alignment of services offered at its locations including an evaluation of community need and the cost of resources available to deliver services. This review could result in shifting, reducing or eliminating services at the System’s locations. As a result of these efforts to-date, the System has realized significant financial improvement of \$54.7 million in income from operations in the first quarter of 2024 as compared to the first quarter of 2023, which are further described herein. See “MANAGEMENT’S DISCUSSION AND ANALYSIS OF RECENT FINANCIAL PERFORMANCE.”

MCHS also engaged Kaufman Hall to complete a Consultant’s Report pursuant to the Second Amended and Restated Master Trust Indenture (“*Master Indenture*”) between MCHS, as Obligated Group Agent, and The Bank of New York Mellon Trust Company, N.A. as Master Trustee, dated as of October 1, 2016. MCHS has filed the full Consultant Report on EMMA, which can be found at <https://emma.msrb.org/P21805670-P21385632-P21825826.pdf>. The Consultant Report was delivered to provide recommendations to the Obligated Group that would result in increasing Income Available for Debt Service to a level at least equal to 110% of the Maximum Annual Debt Service Requirement for the Obligated Group (rate covenant), the minimum level set forth the Master Indenture.

Strategic Partnerships

The System is actively exploring partnership opportunities to collaborate with like-minded organizations across the broader healthcare landscape. The System remains committed to executing on its strategy for both short-term and long-term success and is exploring potential strategic partnerships that enable it to further strengthen operations.

MCHS has selected Juniper Advisory as its third-party financial advisor to assist with a formal process to evaluate opportunities. This process began in the first quarter 2024 with a request for proposal from potential partners and is followed by an ongoing evaluation of those potential opportunities during the second and third quarters of 2024. The System expects to make a

voluntary filing on EMMA as early as the third quarter of 2024 about the status of the partnership evaluation process. Any future partnership would require diligence and regulatory approvals and would be subject to contingencies. If the System was to enter into a definitive agreement with a future partner, it is possible that the current organization and assets of the Obligated Group or the System may change. However, no guarantee can be offered that the System and a potential partner will reach a definitive agreement or enter into any strategic partnership arrangement. In addition, any transaction involving the incurrence of debt, disposition of assets or certain other capital or governance related transactions is governed by the Master Indenture.

Potential investors must read the entire offering document (including all appendices and any information incorporated by specific reference) prior to making an informed investment decisions in the 2024 bonds. Any purchase of the 2024 bonds by an investor is deemed to be solely on the basis of the information presented in the offering document and on the basis of the information presented herein with respect to the System.

STRATEGIC DIRECTION



The System's strategy over the past years to acquire and construct hospitals has resulted in the creation of integrated medical campuses throughout rural central, northern and western Wisconsin and the Upper Peninsula of Michigan. This investment provides care closer to home for communities and patients and positions the System to deliver exceptional, affordable patient care, grow market share, and improve patient experience.

The System's strategic plan is built on the foundation of its mission, vision, values and is supported by its five strategic pillars - People, Smart Growth, Quality & Safety, Service Excellence and Stewardship. The pillars are aligned with and guided by five success factors that define and focus the organization on operating as a high performing healthcare system and positively impact its patients, employees, and communities. They include Employee Impact, Systemness for Success, Exceptional Care, Market Growth/Differentiation and Financial Sustainability & Cost Containment.

Employee Impact: Driven by organizational effectiveness, success includes initiatives around high-performing engagement, leadership, decision-making and staff development that result in the System becoming an employer of choice.

Systemness for Success: Focused on internal alignment, this success factor drives and monitors systemic patient access initiatives that enable the System to fulfill its patient promise of timely

access to care. This includes initiatives related to new services, partnerships, and programs, and align the System's digital roadmap to enable innovation in care delivery.

Exceptional Care: Exceptional care is driven by patient safety and quality initiatives. This success factor will guide strategic safety and quality initiatives that uniquely position the System as a destination of choice for patients, providers, and staff.

Market Growth/Differentiation: This success factor focuses on evaluating fundamental changes that transform the System's existing programs and services to enable innovation and promote stewardship and growth.

Financial Sustainability & Cost Containment: Being a good steward of System resources includes both proper oversight of the System's financial position and driving financial improvement opportunities related to revenue cycle, labor expense, and cost containment. This includes a robust plan to improve the operating and financial performance of the care delivery segment of the System.

THE MEMBERS OF THE SYSTEM AND OBLIGATED GROUP

MCHS and certain of its affiliates are described below. Unless otherwise noted, each entity described below is a Wisconsin nonstock, nonprofit corporation and is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "*Code*").

MCHS and certain of its affiliates as identified below (collectively, the "*Obligated Group*") have agreed to be jointly and severally obligated for Master Notes issued under the Master Indenture, including the Master Notes securing the 2024 bonds offered pursuant to this offering document.

Through March 31, 2024, the members of the Obligated Group are as follows: MCHS, Marshfield Clinic, Lakeview Medical Center, Inc., MCHS Hospitals, Inc. ("*MCHS Hospitals*"), Marshfield Clinic Health System Foundation, Inc. ("*MCHS Foundation*"), Beaver Dam Community Hospital, Inc., Memorial Hospital, Inc., Neillsville, Wisconsin and Flambeau Hospital, Inc.

Marshfield Clinic Health System, Inc.

MCHS was formed in 2012 to serve as the parent corporation for Marshfield Clinic and certain related corporations. MCHS provides leadership and management functions for the System, and otherwise has no significant revenue producing operations. **MCHS is a member of the Obligated Group and serves as Obligated Group Agent.**

Marshfield Clinic, Inc.

Marshfield Clinic was incorporated in 1916, when six physicians pooled their medical expertise to create one of the first group medical practices in the United States. MCHS is its sole corporate member. Marshfield Clinic became a regional system of care in 1976. With more than 1,400 physicians and allied providers operating over 170 specialties and subspecialties, today Marshfield Clinic is one of the largest multispecialty physician group practices in Wisconsin. As further discussed under the headings "OPERATIONS – Research" and "OPERATIONS – Education,"

Marshfield Clinic conducts extensive research and residency training. **Marshfield Clinic is a member of the Obligated Group.**

MCHS Hospitals, Inc.

MCHS Hospitals was incorporated in 2015 and MCHS is its sole corporate member. MCHS Hospitals is the entity that owns and operates Marshfield Medical Center, including Marshfield Children's Hospital, which is located in Marshfield ("*MMC*"), Marshfield Medical Center-Eau Claire ("*MMC-Eau Claire*") which is located in Eau Claire, Marshfield Medical Center-Ladysmith ("*MMC-Ladysmith*") which is located in Ladysmith, Marshfield Medical Center-Weston ("*MMC-Weston*") which is located in Weston, Marshfield Medical Center-Minocqua ("*MMC-Minocqua*") which is located in Minocqua and Marshfield Medical Center – River Region ("*MMC-River Region*") located in Stevens Point.

MCHS Hospitals is also the sole corporate member of the other hospitals operated by MCHS as outlined below. The operations of MCHS Hospitals are discussed under the heading "OPERATIONS – Campus Descriptions." **MCHS Hospitals is a member of the Obligated Group.**

Lakeview Medical Center, Inc.

Lakeview Medical Center, Inc. operates under the name Marshfield Medical Center-Rice Lake ("*MMC-Rice Lake*"). MCHS Hospitals is its sole corporate member. The operations of MMC-Rice Lake are discussed under the heading "OPERATIONS – Campus Descriptions." **MMC-Rice Lake is a member of the Obligated Group.**

Beaver Dam Community Hospitals, Inc.

Beaver Dam Community Hospitals, Inc. operates under the name Marshfield Medical Center – Beaver Dam ("*MMC-Beaver Dam*"). MCHS Hospitals is its sole corporate member. The operations of MMC-Beaver Dam are discussed under the heading "OPERATIONS – Campus Descriptions." **MMC-Beaver Dam is a member of the Obligated Group.**

MMC-Beaver Dam is the owner of several entities that provide various health and housing related services. **These subsidiaries are NOT members of the Obligated Group.**

Memorial Hospital, Inc., Neillsville, Wisconsin

Memorial Hospital, Inc., Neillsville, Wisconsin, operates under the name Marshfield Medical Center-Neillsville ("*MMC-Neillsville*"). MCHS Hospitals is its sole corporate member. The operations of MMC-Neillsville are discussed under the heading "OPERATIONS – Campus Descriptions." **MMC-Neillsville is a member of the Obligated Group.**

Flambeau Hospital, Inc., Park Falls, Wisconsin

Flambeau Hospital operates under the name Marshfield Medical Center-Park Falls ("*MMC-Park Falls*"). MCHS Hospitals is its sole corporate member. The operations of MMC-Park Falls are

discussed under the heading “OPERATIONS – Campus Descriptions.” **MMC-Park Falls is a member of the Obligated Group.**

Dickinson County Healthcare System, Inc., Iron Mountain, Michigan

Dickinson County Healthcare System operates under the name Marshfield Medical Center-Dickinson (“*MMC-Dickinson*”). MCHS Hospitals is its sole corporate member. The operations of MMC-Dickinson are discussed under the heading “OPERATIONS – Campus Descriptions.” **MMC-Dickinson is NOT a member of the Obligated Group.**

Marshfield Clinic Health System Foundation, Inc.

The MCHS Foundation is the System’s fundraising operation and is actively fundraising to support the patient care, research, building projects and education priorities of the System. MCHS is its sole corporate member. **The MCHS Foundation is a member of the Obligated Group.**

Security Health Plan of Wisconsin, Inc.

Security Health Plan is a Wisconsin service insurance corporation organized under Chapter 613 of the Wisconsin Statutes, as amended, and is exempt from federal income tax under Section 501(c)(4) of the Code. MCHS is the sole corporate member of Security Health Plan. Security Health Plan offers health insurance products to over 221,000 Wisconsin residents located in all 72 counties. See “OPERATIONS—Security Health Plan” for a more detailed discussion of Security Health Plan. **Security Health Plan is NOT a member of the Obligated Group.**

Security Health Plan has a fully owned subsidiary, Security Administrative Services, LLC, which is licensed to provide full-service third-party administration for self-funded employers in Wisconsin, Indiana, Minnesota and Michigan. **Security Administrative Services, LLC is NOT a member of the Obligated Group.**

GOVERNANCE AND MANAGEMENT

MCHS Board of Directors

MCHS is governed by a 24-member Board of Directors (the “*MCHS Board*”), comprised of 13 independent members and 11 physician members. All members advise on major areas in which future growth should be directed, major health care delivery issues, fund-raising focus, areas of research priority and relationships between the System and the business community. Specific experience in quality, finance and business development benefits the System.

Independent board members are nominated and approved by the MCHS Nominating Committee and subsequently the full MCHS Board. They serve staggered two-year terms. No individual may serve more than eleven consecutive years as a director on the MCHS Board. They provide opportunities for the System to benefit from broad and varied backgrounds of its members, stimulating creativity and innovation in the System’s growth.

Physician directors are elected by Marshfield Clinic Class A Members and serve on the Marshfield Clinic Board of Directors (the “*Marshfield Clinic Board*”). Clinic physician members serve ex-

officio subject to two-year terms on Marshfield Clinic Board. MCHS may approve or disapprove the elected slate and remove for cause any Marshfield Clinic Board member. Except for the CEO of MCHS and the Executive Director of the Marshfield Clinic, who serve as ex-officio non-voting directors for as long as he/she holds the position, directors serve staggered two-year terms.

The MCHS Board meets quarterly, and special meetings are conducted when needed. The MCHS Board approves strategic plans and mission statement; operating and capital budgets; MCHS Board appointments and other MCHS Board matters. The Marshfield Clinic Board meets about once per month.

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MCHS BOARD OF DIRECTORS*

Name/Office	Business Affiliation	Member of Board Since	Current Term Expires
George Brown, MD (Chair)	Totten Inlet Consulting, LLC, Olympia, WA	March 2019	March 2025
Richard Leinenkugel (Vice Chair)	President Jacob Leinenkugel Brewing Co., Inc., Chippewa Falls, WI	March 2017	March 2025
David Junker, MD (Secretary)	Marshfield Clinic Board Member, Pain Management, Eau Claire, WI	February 2020	January 2026
Matthew Thomas, MD (Treasurer)	Marshfield Clinic – Minocqua Center Urology	January 2023	February 2025
Barbara Boyer, MD	Marshfield Clinic Board Member, General Surgery, Minocqua, WI	February 2022	January 2026
Terry Frankland	Retired President & CEO, V & H Trucks, Inc., Marshfield, WI	March 2016	March 2026
Colleen M. Hoerneman	Retired Chief Nursing Officer, Marshfield, WI	March 2021	March 2025
Janet Lindemann, MD	Retired Dean, University of South Dakota Sanford School of Medicine, Sioux Falls, SD	September 2014	March 2025
Elvis A. Peter, MD	Marshfield Clinic Board Member, Cardiology, Weston, WI	February 2018	January 2025
Kent E. Ray, DO	Marshfield Clinic Board (Secretary), Endocrinologist, Eau Claire, WI	April 2016	January 2026
Jayanth Vedre, MD	Marshfield Clinic Board Member, Pulmonary Medicine, Marshfield, WI	February 2020	January 2026
Matthew Oelstrom, MD	Marshfield Clinic Board Member Pediatric Intensivist	January 2023	February 2025
Tom Evert	Retired CFO	March 2023	March 2025
Maureen McCausland, DNSc, RN, FAAN	Senior Advisor, McChrystal Group	March 2022	March 2026
Thomas Still	President, WI Technology Council	March 2024	March 2026
Jessica Wernberg, MD	Marshfield Clinic Board Member, General Surgery – Oncology	January 2024	February 2026
Katherine Winiarczyk, MD	Marshfield Clinic Board Member Internal Medicine - Ladysmith	January 2024	February 2026
Thomas Wenzel	Retired, Senior Executive VP, Institutional Capital, LLC	March 2024	March 2026
Richard Wicka	Associate General Counsel for National Guardian Insurance Co.	March 2024	March 2026

* There are five vacancies on the Board.

Management

Biographical information regarding the following management personnel is set forth below. The MCHS bylaws provide that the MCHS Board shall conduct a nationwide search prior to extending any offer to a candidate for the position of Chief Executive Officer, and as a matter of policy the MCHS Board may determine to conduct a national search for other senior management positions. The MCHS Board has determined that the interim management positions will remain as such pending direction from the ongoing FIP and strategic partnership processes. See “FINANCIAL IMPROVEMENT PLAN AND STRATEGIC PARTNERSHIPS.”

Brian Hoerneman, M.D., FACEP, Interim Chief Executive Officer, MCHS, age 49. Dr. Brian Hoerneman is the Interim Chief Executive Officer (“CEO”), assuming the position in September 2023. Prior to his current MCHS position, Dr. Hoerneman was an Emergency Physician and has served in numerous administrative roles including Interim Executive Vice President of Clinical Care Delivery for MCHS, Interim President of Marshfield Medical Center-Marshfield, the Vice President of Medical Affairs MMC-Marshfield, and the System Director of Emergency Medicine, Urgent Care and Trauma. Dr. Hoerneman is a native of central Wisconsin and completed his undergraduate studies and medical school at the University of Wisconsin-Madison. He subsequently trained in Emergency Medicine at the University of New Mexico and practiced in Santa Fe for several years. He returned to Marshfield and the System in 2004.

Jeanette Wojtalewicz, Interim Chief Financial Officer, MCHS, age 62. Jeanette Wojtalewicz is the Interim Chief Financial Officer (“CFO”) of MCHS, having joined the System in October 2023. Prior to joining MCHS, Ms. Wojtalewicz served in various healthcare finance roles in public accounting, academic medicine, post-acute specialized services, rural healthcare and multi-hospital systems, recently serving 23 years as Senior Vice President, CFO for CHI Health in Omaha, Nebraska. She has experience in financial improvement implementation, merger/acquisition, revenue cycle transformation and leading change initiatives. Ms. Wojtalewicz earned a bachelor’s degree from the University of Nebraska-Kearney in Business Administration emphasis in Accounting and received her Master’s in Healthcare Administration-Leadership from Bellevue University.

Kathy Bressler, MN, RN, Chief Operating Officer, MCHS, age 63. Kathy Bressler is the Chief Operating Officer of MCHS, having joined the System in August 2022. Ms. Bressler has more than 20 years of senior executive experience managing service lines, hospitals and health systems. Prior to joining MCHS, she served as Chief Operating Officer/Chief Nursing Officer for CHI Health. Ms. Bressler received her Master of Nursing degree with a concentration in Community and Leadership from the University of Washington in 2000, where she also received her Bachelor of Science in Nursing. She served as a member of the Northwest Organization of Nurse Executives, the American Nurses Association and was the recipient of numerous citations for community service.

Lisa Boero, Esq., Interim General Counsel, MCHS, age 51. Lisa Boero, Esq., is the Interim General Counsel of MCHS, assuming the position in January 2024. She previously held various legal roles within MCHS since 2007, and most recently served as the Chief Legal and Compliance Officer of Security Health Plan. Ms. Boero received her Bachelor of Arts in History and Spanish, magna cum laude, from Washington University in St. Louis and her J.D., Order of the Coif, also

from Washington University in St. Louis. She has over two decades of corporate and health care legal experience as outside and in-house counsel. She is licensed in Missouri, Illinois and Wisconsin and is a member of the American Health Lawyers Association, CHIEF, Women Business Leaders of the U.S. Health Care Industry Foundation, WI Association for Women Lawyers, the American Immigration Lawyers Association, the Subrogation Healthcare Alliance, and the Forbes Nonprofit Council.

Samantha L. Klebe, DO, Chief Medical Officer, MCHS, age 38. Dr. Klebe is the Chief Medical Officer of MCHS, assuming the role in March 2023. She previously served as Vice President of Medical Affairs for the River Region, Core Line Medical Director for Hospital Based Medicine, and as an Internal Medicine Hospitalist for the Marshfield and Weston Campus. Dr. Klebe has held various roles in healthcare for 12 years. Dr. Klebe attended the College of Notre Dame of Maryland where she received her Bachelor's degree, graduating *Summa Cum Laude*, majoring in Biology and minoring in chemistry. Dr. Klebe completed her medical degree from the Edward Via College of Osteopathic Medicine-Virginia Campus and her internal medicine residency at Wellspan York Hospital in York, PA, where she also earned a certificate in physician leadership. Dr. Klebe also received a certificate in women's leadership from the Yale School of Management.

Krista Hoglund, Chief Executive Officer, Security Health Plan, age 44. Krista Hoglund is the Chief Executive Officer of Security Health Plan. She previously served as Chief Actuary and Financial Officer for Security Health and became Chief Executive Officer in December 2021. Ms. Hoglund has 16 years of experience in progressively advancing roles within Security Health Plan's executive leadership, actuarial and business intelligence areas. Ms. Hoglund is focused on reducing the total cost of care for Security Health Plan customers. She has shaped policy, planning and analysis guiding Security Health Plan's decisions that affect its financial performance. She has worked closely with the financial leadership team at MCHS to ensure financial vitality for Security Health Plan and the System overall. Ms. Hoglund earned her master's degree in business administration from the University of Wisconsin – Eau Claire and her bachelor's degree in applied mathematics from the University of Wisconsin-Stout. In addition, she completed the Carol Emmott Foundation Fellowship Program, and has completed a number of executive leadership training programs that have created the foundation of her leadership philosophy. She is an Associate of the Society of Actuaries, and a Member of the American Academy of Actuaries.

SERVICE AREA

Management defines the System's primary service area as counties generating at least 1,000 unique patients (the "*Primary Service Area*"). The secondary service area of the System comprise all Wisconsin counties not otherwise included in the Primary Service Area, as well as 9 counties in the Upper Peninsula of Michigan (the "*Secondary Service Area*" together with the Primary Service Area, the "*Service Area*"). The map on Page A-3 shows the System's Primary Service Area and its principal locations of hospital facilities and clinics.

For the trailing twelve-month period ended March 31, 2024, the System cared for over 350,000 unique patients, representing approximately 25% of the population in its Primary Service Area. As of calendar year 2023, 94% of residents in the System's Primary Service Area have health insurance.

Demographics for the System's Primary Service Area are below:

County	2022 Population⁽¹⁾	2022 Median Household Income⁽²⁾	2022 Unemployment Rate⁽³⁾
Marathon	137,820	\$73,248	2.5%
Eau Claire	105,697	70,127	2.5%
St. Croix	93,752	97,950	3.1%
Dodge	89,032	71,747	2.6%
Wood	74,138	63,273	3.3%
Portage	70,281	71,301	2.9%
Chippewa	66,254	69,815	3.3%
Waupaca	51,822	69,198	3.0%
Barron	46,683	59,379	3.3%
Monroe	46,208	66,451	2.7%
Dunn	45,221	69,721	3.1%
Polk	45,128	74,142	3.8%
Shawano	40,848	65,493	2.9%
Oneida	37,799	66,111	3.3%
Clark	34,703	63,187	2.6%
Largest 15 Counties in Primary Service Area	985,386		
All other Counties in Primary Service Area	406,216		
Primary Service Area Total	1,391,602		

⁽¹⁾ Population Estimates: U.S. Census Bureau, 2022.

⁽²⁾ 2022 Median Household Income: U.S. Census Bureau

⁽³⁾ 2022 Unemployment Rate: WI Department of Workforce Development, Labor Market Info.

Key employers in selected counties of the System's Primary Service Area for calendar year 2023, each of which has reported its number of employees as 1,000 or greater, include:

Company Names

Ashley Furniture Industries	Quad/Graphics Inc.
Aspirus Wausau Hospital	Regal Rexnord Corp.
Howard Young Health Care	Sentry Insurance Group
John Deere Horicon Works	Sheet Metal Workers Intl. Assn.
Kolbe & Kolbe Millwork Co Inc.	St. Croix Casino Turtle Lake
Mayo Clinic Health System	TTM Technologies Inc.
Menard Inc.	Turkey Store Co.
Midwest Manufacturing	UMR, Inc.
Northern Engraving Corp.	Waupaca Foundry Inc.

Note: The System is a key employer but not listed above.

Source: Infogroup national database via State of Wisconsin DWD WisConomy; key employers/companies listed alphabetically.

System Market Position in Primary Service Area

The following are selected competing healthcare organizations and their operations within the System's Primary Service Area, excluding Dodge County which is discussed further below. The map that follows this description shows the System's Primary Service Area including locations of these competing facilities.

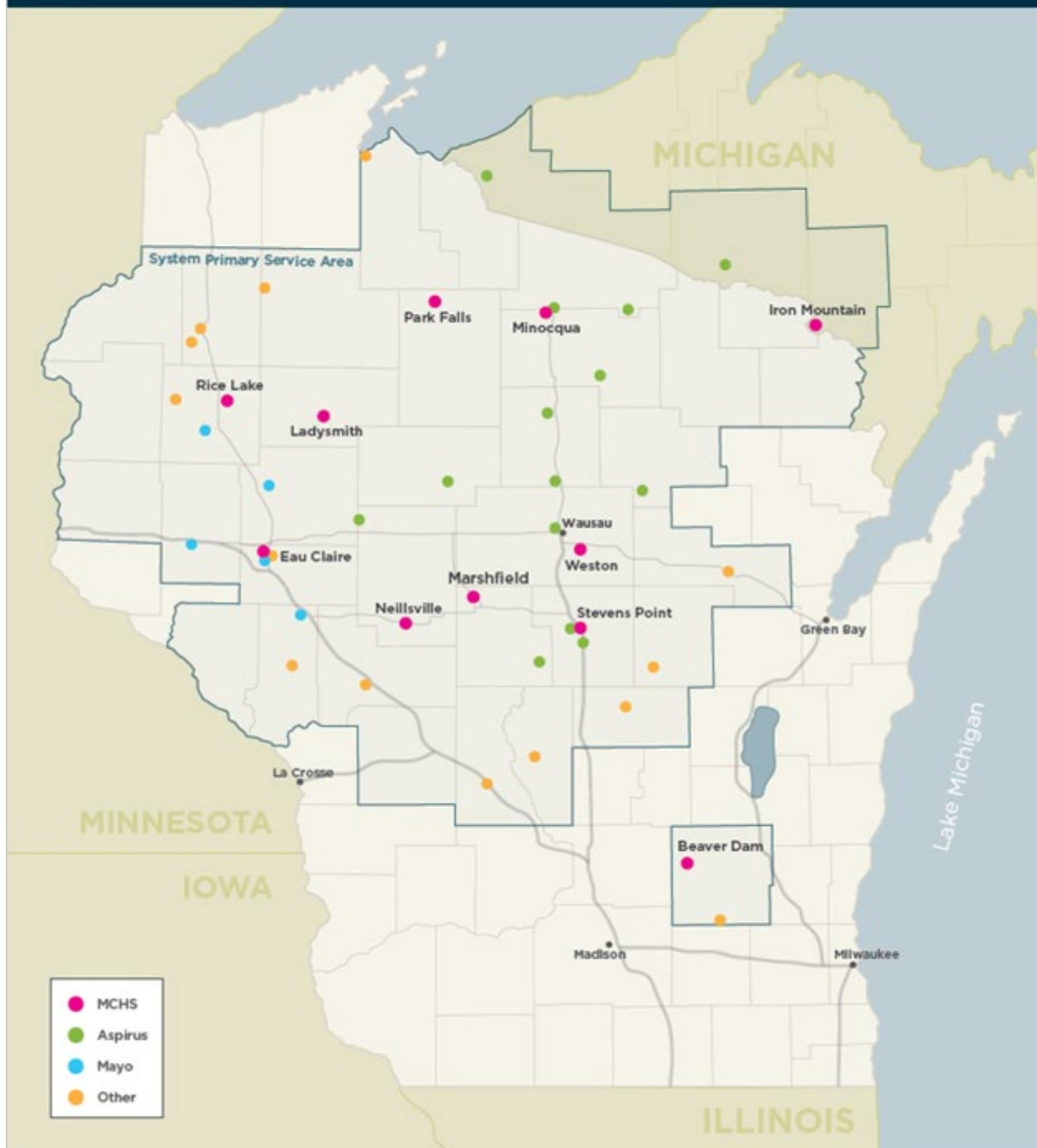
Aspirus. Aspirus, Inc. ("*Aspirus*") operates a network of hospitals, 14 of which operate within the System's Primary Service Area. Aspirus is based in Wausau, Wisconsin serving communities in central and northern Wisconsin, northeastern Minnesota and Michigan's Upper Peninsula.

Hospital Sisters Health System. Hospital Sisters Health System ("*HSHS*") is a multi-facility Catholic health care system based in Illinois, with 13 hospitals, in addition to the two hospitals that were within the System's Primary Service Area – in Chippewa and in Eau Claire. HSHS closed those two facilities in March 2024 and exited the Primary Service Area.

Mayo Clinic and Mayo Clinic Health System. Mayo Clinic, based in Rochester, Minnesota, through the Mayo Clinic Health System, provides hospital and outpatient services at regional practice sites, including a number of communities in western Wisconsin such as Eau Claire and Menomonie.

System Presence in Dodge County, Wisconsin. MMC-Beaver Dam is one of two hospitals in Dodge County, the other is Watertown Regional Medical Center (owned by LifePoint Health) that is 24 miles away. The nearest acute care facilities are critical access hospitals roughly 15 miles away in Fond du Lac and Columbia Counties. Both SSM Health and UW-Health have medical group practices in the Beaver Dam area, and acute care facilities in the adjacent counties. SSM, Advocate Aurora and UW-Health have medical group practices or acute care facilities in the Beaver Dam area or adjacent counties.

Hospitals located within the Primary Service Area.



The table below sets forth the number of staffed beds, total discharges and percentage of total discharges for the hospitals within the System's Primary Service Area, excluding Dodge County (totals and percentages may not foot due to rounding). Figures in parenthesis represent the number of unspecified/other facilities.

Name of Hospital	Staffed Beds ⁽¹⁾	Number of Discharges ⁽²⁾			
	2022	2022	%	2021	%
<u>The System</u>					
Marshfield Medical Center	223	11,210	46.3	12,203	47.3
MMC-Weston	46	3,987	16.5	3,813	14.8
MMC-Eau Claire	56	2,545	10.5	2,478	9.6
MMC-Rice Lake	40	1,550	6.4	1,679	6.5
MMC-Beaver Dam	43	706	2.9	1,280	5.0
MMC-Park Falls	25	395	1.6	493	1.9
MMC-Ladysmith	25	200	0.8	180	0.7
MMC-Dickinson	49	2,171	9.0	2,229	8.6
MMC-Minocqua	19	1,118	4.6	1,230	4.8
MMC-River Region	12	119	0.5	-	-
MMC-Neillsville	8	185	0.8	219	0.8
	546	24,186	29.6	25,804	30.2
<u>Aspirus</u>					
Aspirus - Wausau Hospital	306	13,792	52.1	14,240	52.5
Aspirus - Stevens Point	75	2,517	9.5	2,817	10.4
Aspirus - Riverview	63	2,281	8.6	2,264	8.3
Aspirus - All Other (11)	271	7,896	29.8	7,820	28.8
	715	26,486	32.4	27,141	31.8
<u>HSHS⁽³⁾</u>					
HSHS - Sacred Heart	162	6,098	75.5	6,416	75.1
HSHS - St. Joseph's	57	1,978	24.5	2,128	24.9
	219	8,076	9.9	8,544	10.0
<u>Mayo Clinic Health System</u>					
Mayo Clinic Health System - Eau Claire	174	9,264	81.4	10,632	80.9
Mayo Clinic Health System - All Other (5)	70	2,202	18.6	2,516	19.1
	244	11,826	14.5	13,148	15.4
All other Hospitals (21)	348	10,797	13.2	10,520	12.3
Total (54)	2,084	81,699	100.0	85,458	100.0

⁽¹⁾ Source: WHA Information Center, Guide to Wisconsin Hospitals, Fiscal Year 2022. Marshfield Medical Center was updated from WHA data to reflect current staffed beds and online records for Michigan facilities.

⁽²⁾ Source: WHA and MHA Information Center, Health Care Data Report, Calendar Year 2022 and 2021.

⁽³⁾ HSHS closed Sacred Heart and St. Joseph's in March 2024.

MMC-Beaver Dam has the third largest market share in Dodge County at 12% (based upon inpatient beds from WHA Information Center) with SSM Health and UW-Health at 37% and 14% respectively.

OPERATIONS

The System divides its acute care operations into six markets, as further described below.

Central Market

Marshfield. The Marshfield Campus comprises over 200 acres of land in Marshfield, which is located approximately 145 miles northwest of Madison. Comprehensive patient care services are offered through the Marshfield Clinic and the Marshfield Medical Center (“MMC”), inclusive of the Marshfield Children’s Hospital (“*Children’s Hospital*”) with approximately 260 providers. The Marshfield Campus is the largest campus within the System.

As of March 31, 2024, MMC is an approximately 314 available bed hospital (an average of 259 staffed beds in 2023) that serves as a regional referral center for central Wisconsin and provides a variety of specialized services, including gamma knife, PET scanner, Level II trauma center, CT simulation, intensity-modulated radiation therapy, cardiovascular surgery, neurosurgery and prenatal, neonatal services and features Lifelink air transport services.

The Children’s Hospital is part of the MMC. With 56 staffed beds, 24 Level III NICU beds and 8 pediatric intensive care unit beds, included in the staffed bed count above, the Children’s Hospital is central Wisconsin’s only accredited pediatric hospital, and one of only four in Wisconsin. It is equipped with the latest technology, more than 40 pediatric specialties, board-certified pediatric hospitalists and nurses, Level II pediatric trauma center and CARF-accredited pediatric rehabilitation. Care beyond treatment with care coordination for children requiring complex care and certified child life specialists ensure children receive the emotional support they may need to cope with their treatment during their hospital stay.

The Marshfield Campus also houses a reference laboratory that provides testing for outside medical facilities (e.g., hospitals, physician offices and clinics). Testing services include a College of American Pathology-designated toxicology service that conducts Wisconsin Department of Transportation-mandated drug testing, workplace drug testing for private employers, comprehensive drug screens on clinical specimens, analysis of other specimens for the presence of drugs and toxicology testing on post-mortem specimens submitted by coroners and medical examiners from the State of Wisconsin. Marshfield Clinic has a longstanding commitment to medical research and education, which is discussed in more detail under “OPERATIONS” below.

Neillsville. The System operates MMC–Neillsville, acquired in November 2018, which provides family practice, pediatrics general surgery, orthopedic surgery, trauma, hospital medicine, radiology, lab, rehab (PT, OT, Cardiac/Pulmonary), occupational health, outreach – oncology, OB midwife, podiatry, sleep medicine, neurology, vascular and audiology services with approximately 6 providers. The MMC-Neillsville facility is a Medicare-certified critical access hospital, located in Neillsville, with 16 available beds (an average of 8 staffed beds in 2023) and includes medical/surgical and intensive care units and added more specialties including neurology, pediatric neurology and sleep medicine.

In May 2021, a new 100,000 square-foot replacement medical campus was opened in Neillsville, which includes rooms designated for telehealth consults and an infusion suite with six private rooms to provide IV treatments, including chemotherapy and outpatient nursing care.

East Market

Wausau. In the Wausau area, the System operates MMC-Weston, a multi-specialty medical clinic, including ancillary services such as imaging and oncology, an ambulatory surgery center and an acute care hospital with approximately 87 providers.

On August 1, 2020, the System acquired MMC-Weston, an acute care hospital with 60 available beds (an average of 60 staffed beds in 2023) which provides a variety of services including birth, emergency department, general and orthopedic surgery and surgery center with operating and procedure rooms as well as a variety of diagnostic services previously provided by Diagnostic Treatment Center including imaging, laboratory, radiology, rehabilitation, heart, lung and vascular diagnostics, peripheral vascular tests, cardiac and pulmonary rehab, sleep, radiation oncology and cardiac catheterization.

Stevens Point. The System operates MMC-River Region, an outpatient clinic, cancer center and acute care hospital located in Stevens Point, with approximately 10 providers. The outpatient clinic provides primary care family medicine as well as a wide array of specialties, including: laboratory, radiology, CT, ultrasound, optometry, ophthalmology, cardiology, nephrology, orthopedics, dermatology, endocrinology, obstetrics and gynecology, podiatry, physical therapy, urology, rheumatology, physical medicine, occupational health, pediatrics and pediatric sub-specialties.

The cancer center offers a comprehensive suite of services including: radiation oncology, immunotherapy, hormone therapy, oncology pharmacy, intensity modulated radiation therapy (IMRT), image guided radiation therapy (IGRT) and high dose rate treatment (HDR).

In May 2022, MMC-River Region opened a 48,000 square foot hospital attached to its existing clinic at Stevens Point. The expanded hospital campus has 12 inpatient rooms, a surgical suite with operating rooms, emergency department, imaging and laboratory space.

West Market

Eau Claire. The System operates MMC-Eau Claire, which is a multi-specialty medical clinic and acute care hospital, with approximately 71 providers located in Eau Claire.

The multi-specialty medical clinic provides services in urology, orthopedics, plastics, pain management, podiatry, obstetrics, gynecology, gastrointestinal/endoscopy, ENT, neurosurgery, ophthalmology, and general surgery, among other specialties.

MMC-Eau Claire is a 56 available bed acute care hospital, with an average of 44 staffed beds in 2023. MMC-Eau Claire provides a variety of services, including emergency services, respiratory therapy, obstetrics, oncology, surgery and medical/surgical inpatient intermediate care.

Ladysmith. MMC-Ladysmith, which was acquired by the System in September 2018, is a Medicare-certified critical access hospital with 25 available beds (an average of 10 staffed beds in 2023) and includes provider-based rural health clinics in Ladysmith and Bloomer, Wisconsin with approximately 10 providers.

MMC-Ladysmith provides a variety of services, including infusion, diagnostic services, emergency services, telestroke, urgent care, laboratory, inpatient care, swing bed, respiratory, cardiac rehab, pulmonary rehab, physical/occupational/speech therapy, medical outreach clinic, surgical services, nutrition and diabetes information.

In March 2023, the System opened a replacement medical campus in Ladysmith which replaced the inpatient and medical group space.

Rice Lake. The System operates MMC-Rice Lake, which is an acute care hospital and multi-specialty medical clinic located in Rice Lake. The campus includes cardiac rehabilitation, women's health, pediatric therapy and oncology with approximately 28 providers.

MMC-Rice Lake provides acute care services, emergency ambulance services and home health and hospice service. MMC-Rice Lake is an approximately 40 available bed hospital (an average of 32 staffed beds in 2023) with medical/surgical and intensive care units as well as women's health.

North Market

Minocqua. The System operates MMC-Minocqua, a multi-specialty medical clinic and acute care hospital, located in Minocqua. Services available include primary care, surgical, inpatient care, ICU, emergency and urgent care. Specialty care includes medical and radiation oncology, hematology, general surgery, pediatrics, orthopedics, vascular surgery, OB/GYN, neurology, behavioral health, neuro-psychology, otolaryngology, audiology, pain, PM&R, PT/OT, cardiac rehab, ophthalmology, optometry, sleep lab, nephrology, cardiology, dermatology, pulmonology and urology services with approximately 35 providers.

In July 2023, a hospital expansion project at MMC-Minocqua was completed on schedule and on budget. MMC-Minocqua is an acute care hospital with 31 available beds (an average of 19 staffed beds in 2023) which provides a variety of services including emergency services, respiratory therapy, obstetrics, surgery and medical/surgical inpatient intermediate care.

Park Falls. The System operates MMC-Park Falls in Park Falls. The facility is a Medicare-certified critical access hospital which provides 24-hour care for inpatient and outpatient services, surgery, rehab, emergency ambulance services, home health and hospice service with approximately nine providers. It has 21 available beds (an average of 21 staffed beds in 2023), including medical/surgical and intensive care units.

The System is undertaking a partial hospital replacement that will consolidate services and create efficiencies on campus, enhancing patient experience, providing adequate space for lab, pharmacy services and add retail pharmacy to the hospital. The project, which is being funded with a combination of philanthropy, grant funding and cash, is expected to be completed in two phases with substantial completions dates in the second quarter of 2024 for Phase 1 and the third quarter of 2025 for phase 2. The project is on time and within budget. During the construction of the replacement hospital, MMC-Park Falls has 8 available and staffed beds.

South Market

Beaver Dam. The System operates MMC–Beaver Dam, acquired in May 2019, with approximately 19 providers. The Beaver Dam campus offers a full continuum of comprehensive medical care.

MMC-Beaver Dam consists of a 48 available bed hospital facility (an average of 20 staffed beds in 2023) with a medical/surgical unit, and intensive care unit, 115 bed skilled nursing facility, senior housing and community-based residence facilities, home health and hospice, primary and specialty care medical clinics, a medical office building and various other buildings and locations. The main hospital campus is a replacement facility that opened in 2006 on approximately 20 acres. MMC-Beaver Dam programs and services include acute inpatient; emergency and urgent care; surgery including general surgery, orthopedics and sports medicine, robotic surgery, ENT, podiatry, and ophthalmology; outpatient services including radiology imaging and interventional radiology, lab, cardiology, medical oncology services, occupational health, sleep medicine, therapies including physical, occupational, speech, and respiratory; wound care and hyperbaric chambers; primary and specialty clinics; inpatient and retail pharmacies.

Michigan Market

Dickinson. The System operates MMC-Dickinson, acquired in February 2022, with approximately 17 providers.

The system owns and operates a 49 available bed hospital facility (an average of 30 staffed beds in 2023) in Iron Mountain, Michigan. In addition to the hospital, MMC-Dickinson owns, and leases properties used for various outpatient and ancillary services which are located in Iron Mountain, Marquette and in nearby communities. The hospital draws most of its patients from Dickinson County and from adjacent counties in the Upper Peninsula and Wisconsin. Services available include 24/7 emergency department coverage along with adult and pediatric primary care, birth center, cardiology care, hematology/oncology, radiation/oncology, orthopedics, podiatry services, interventional radiology, urology, wound care and hyperbaric medicine, internal medicine, nephrology, OB-GYN, occupational health, imaging and lab services, pharmacy, physical and occupational therapy, sleep medicine and surgical services. The hospital is designated as a Sole Community Hospital with the nearest hospitals, located 44 and 50 miles away both of which are designated as Critical Access Hospitals with lesser scopes of services.

Care at Home

Hospital at Home

The System continues to invest in innovative initiatives to deliver care outside of traditional care settings in ways that improve patient experience and lower costs for employers and individuals.

The System partners with Contessa Health, under its Personalized Recovery joint venture, to provide a hospital at home program. In the program, patients with specific conditions receive hospital-level care in their homes or in skilled nursing facilities, rather than being hospitalized. This initiative has shown to reduce cost and improve the patient experience and quality outcomes.

Telehealth/Telemedicine

The System has been providing telehealth services for over 25 years which allows the System to support and provide long-distance clinical health care. Using electronic information and telecommunications technologies such as fiber-optic otoscopes and digital stethoscopes, System physicians provide care to patients through interactive encounters from their place of work. The System offers virtual visits across almost all of its specialties to serve its patients. Telehealth has been very successful in bridging the gap between resources and remote based populations' unmet health care needs. For the twelve months ended December 31, 2023, MCHS provided 62,038 telehealth visits, representing 6.1% of total ambulatory visits for the System.

Home Health and Hospice

Home Health and Hospice provides comprehensive in-home skilled nursing; home health aides for help with daily activities; physical, occupational and speech therapy; and hospice care at two locations – Beaver Dam and Rice Lake.

Research

In 1959, Marshfield Clinic physicians founded Marshfield Clinic Foundation for Medical Research and Education, Inc. In 1990 it was merged into the Marshfield Clinic and now operates as the Marshfield Clinic Research Institute (“*MCRI*” or “*Research Institute*”), a division of the Marshfield Clinic. MCRI is one of the largest private medical research institutes in Wisconsin, with more than 30 Ph.D. and M.D. scientists and 200 staff. In addition, approximately 150 physicians and other health care professionals throughout the System are engaged in medical research. The Research Institute consists of five centers supported by four shared research support offices. Approximately 450 clinical trials and other research projects are active at any one time. MCRI maintains an Institutional Review Board which is responsible for the protection of human research participants and publishes two nationally indexed professional journals.

Education

The System offers graduate medical education (“*GME*”) including physician residency training programs in dermatology, general surgery, internal medicine, pediatrics and combined internal medicine/pediatrics, as well as fellowship opportunities in emergency medicine, cardiovascular disease and vascular surgery. Additionally, the System sponsors residency training in pharmacy and fellowship training in post-doctoral psychology. More than 880 alumni have gone on to further training or medical practice, with 30-40% of the GME graduates successfully recruited by the System over the last five years.

The System has contracted relationships with over 110 colleges to provide clinical experiences in a variety of health professions. The System has distinguished itself as a clinical campus of the University of Wisconsin School of Medicine and Public Health. As such, students in their second, third and fourth years of medical school rotate through the System, though other medical schools also are represented.

In 2018, the System established a broader relationship with the University of Wisconsin, Stevens Point (“*UWSP*”) to advance the development of the health care workforce by providing new

education and training opportunities for students. The relationship is focused on UWSP academic programs and the System's clinical training opportunities including an expansion of existing degree programs and establishment of new health-related majors, minors and certificates as well as additional academic offerings at UWSP and select branch campuses. A Marshfield Clinic Health System Scholars Program was developed that partners top UWSP students with opportunities at the System for practicum and clinical experience. The Scholars Program identifies top-performing students in health-related fields at UWSP who have an interest in staying in the region after graduation. Additionally, an advisory board of health care and education professionals across northcentral Wisconsin was established to provide advice and direction to UWSP.

The System also is a host for the Wisconsin Academy for Rural Medicine as well as the University of Wisconsin-Eau Claire College of Nursing and Health Sciences. Additionally, the System serves as a clinical site for the School of Radiography.

The System prepares a number of other health professionals including dentists, physician assistants, nurses, nurse practitioners, dietetics, occupational and physical therapists, audiologists, EMT and paramedics, respiratory therapists, pharmacists, medical assistants, surgical technologists and students in the laboratory sciences.

The System's laboratory education program provides an educational experience for college and university students completing practicums in the clinical laboratory. In keeping with the mission of the System, the practicums provide didactic and practical training that promotes best practices in laboratory medicine, patient-centered values and teamwork. The System holds national accreditation for its Histotechnician and Medical Laboratory Scientist programs. It also is affiliated with accredited colleges and universities to provide practical training to students completing their studies as clinical microbiologists, medical laboratory technicians and phlebotomy technicians. The System has supported educational programs in the laboratory sciences for over 70 years.

In addition to its medical training programs, the System provides physician continuing medical education programming as well as continuing education programs for additional health professionals. The System is accredited by the Wisconsin Medical Society to provide continuing medical education for physicians and is accredited by the Accreditation Council for Pharmacy Education for provider pharmacy education.

The System also holds several accreditations from other agencies to provide continuing education programs for a variety of health professions, including approval for continuing education by the Academy of General Dentistry. Continuing Medical Education is an institutionally approved Maintenance of Certification Part IV provider. This equips the System to offer board-certified physicians opportunities to participate in local practice performance assessments or self-assessments that are more relevant to the local care environment than what is available through a national vendor.

Security Health Plan

Security Health Plan was founded in 1971 as the Greater Marshfield Community Health Plan by Marshfield Clinic doctors and restructured in 1986.

Security Health Plan insures over 221,000 members in all 72 counties in Wisconsin, with Medicare products offered in all 72 counties and Medicaid products offered in 49 counties. Security Health Plan is accredited by the NCQA and offers a full suite of health insurance products for employer groups, individual, and families of various income levels, including through government programs. By overall premium volume, Security Health Plan is the sixth largest health plan and, by membership, is the fifth largest health plan in Wisconsin. Security Administrative Services, LLC, a wholly owned subsidiary of Security Health Plan, is licensed to provide full-service third-party administration for self-funded employers in Wisconsin, Indiana, Minnesota and Michigan. Security Health Plan maintains significant capital for future growth.

Security Health Plan has routinely been recognized as a quality leader, earning 4-stars or above from the Centers for Medicare and Medicaid Services (CMS) for the MA program. Its Medicare Plans have received 4.5 out of 5 rating as listed in the NCQA's Health Insurance Plan Ratings in 2023 and Medicaid and Private plans each receiving 4.0 out of 5.

Security Health Plan focused network product called SimplyOne features the System's providers as the only in-network providers. SimplyOne has enabled the System to further leverage its care delivery network to offer innovative, low-cost products to employers in its marketplace.

Over 100,000 Security Health Plan members also receive their care primarily from the System. This intersection enables the System to be at its most effective in managing the care for these members and patients. With the growth in the Systems acute care footprint, there has been a 21.6% increase in these members since 2013.

Medical Staff

The System employs a diverse multispecialty medical staff, covering over 170 specialties and subspecialties, with an average age of 48 and an average tenure of 9.1 years. Medical staff members are subject to a non-compete covenant within 25 miles of their practice location. The System has a history of successful physician recruitment. In calendar year 2023 the System hired 85 physicians and 92 allied providers/advanced practice clinicians. In the first three months of calendar year 2024, the System hired 40 physicians and 23 allied providers/advanced practice clinicians. Annually, medical staff turnover averages 15.2%. Management characterizes the relationship with its medical staff as good.

The composition of the medical staff by specialty as of March 31, 2024, is shown in the tables below.

TABLE A-1
Medical Staff by Specialty
(As of March 31, 2024)

Hospitalists, Anesthesia & ER	131
Primary Care	126
Radiology Diagnostic	33
General Surgery	32
Obstetrics Gynecology	27
Orthopedic Surgery	23
Cardiology	22
Pathology	21
Neurology	18
Pediatrician	18
Oncology/Hematology	14
Nephrology	10
Ophthalmology	10
Physical Medicine & Rehab	9
Intensivist	9
Dermatology	8
Psychiatry	8
Gastroenterology	6
Endocrinologist	6
Pulmonary	5
Pain Clinic	5
Urologist	5
Urgent Care	4
Other	22
TOTAL	<u>577</u>

Allied providers by specialty are as follows:

TABLE A-2
Allied Provider by Specialty
(As of March 31, 2024)

Nurse Practitioner	228
Physical Therapist	123
Physician Assistant	98
Anesthetists/CRNAs	92
Pharmacist	82
Occupational Therapist	46
Clinical Dietitian/Nutritionist	23
Speech-Language Pathologists	15
Clinical Psychologists	12
Certified Nurse Midwife	11
Professional Counselor	11
Optometrists	11
Audiologist	9
Podiatrist	9
Neuropsychologist	7
Clinical Social Workers/MS	6
Dentist	5
Other	9
TOTAL	<u>797</u>

Information Technology

As of 2023, the System is on a single integrated Electronic Medical Record (“*One System EHR*”) platform for the acute, ambulatory, revenue cycle, patient access and lab system in all regions except Michigan which is expected to be integrated in 2025. The System has focused on optimization of this single platform in 2023 and 2024 to increase operational efficiencies of the care teams and performance of the organization. This is led in collaboration with the Chief Medical Informatics Officer and Director of Nursing Informatics. Around this platform, the System has moved forward with a digital strategy through integrations to the One System EHR. This includes implementing such tools as virtual scribe for provider efficiencies, digital intake, digital registration and mobile applications focused on patient experience.

For 2024, the System is implementing additional technology focused on improving efficiencies for operations. This includes technology supporting labor productivity in aligning staffing to volumes, lab operations to support a hub and spoke model, and pharmacy which are part of the System’s FIP. The System is also using robotics process automation to support revenue cycle operations and machine learning to support physician administrative effectiveness. See “FINANCIAL IMPROVEMENT PLAN AND STRATEGIC PARTNERSHIPS” herein.

Outside of optimization, the System focused on modernizing the clinical data warehouse to be cloud enabled allowing the System’s data set to be agile and cost efficient.

Cybersecurity

The System employs Defense in Depth (DiD) methodology to protect the enterprise. Information Security (InfoSec) is achieved by implementing a suitable set of controls, including policies, processes, procedures, organizational structures, and software and hardware functions. These controls have been established, implemented, monitored, reviewed and improved, where necessary, to ensure that the specific regulatory, security and business objectives of the System and regulatory requirements are met. Risk analysis is continually conducted given the ever-changing cyber threat landscape. The System has also started a more advanced cybersecurity awareness campaign including social engineering and phishing training to go along with the normal computer-based training.

The System has implemented a risk-based approach to analyzing the potential for cybersecurity incidents and has also implemented a number of policies and procedures that mitigate cyber risk to the organization. Additionally, the System has cybersecurity insurance and performs tabletop simulation exercises to ensure the business continuity plan is in place to mitigate through an attack.

All vendors, third party solution or service providers undergo a rigorous third-party risk assessment. These assessments are conducted to evaluate the controls, policies, procedures and techniques to protect systems and information. These vendors must comply with applicable regulatory and or cybersecurity framework criteria in order to be approved. The System uses a solution called Censinet to track these assessments and schedule subsequent reviews for the highest impacted solutions. Tabletop simulation exercises are performed to ensure mitigation plans are in place if a third-party solution is impacted.

Insurance

The System addresses the medical malpractice liability risks through a self-insurance plan (the “Plan”). The Plan covers the first \$1 million of any medical malpractice claim, and up to an annual aggregate amount of \$3 million on a per “health care provider” basis. A health care provider for purposes of the Plan includes physicians and certified registered nurse anesthetists. The System contributes actuarially determined amounts to a self-insured trust which was established to hold funds necessary to provide for the estimated costs of self-insured claims to meet requirements in Wisconsin. Claims in excess of the Plan’s limits are covered by the Wisconsin Injured Patients and Families Compensation Fund per Section 655.27 of the Wisconsin Statutes. For more information, see Note 9 Self-Insurance to “APPENDIX B – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE CORPORATION.”

The System purchases, at various policy limits and deductibles, insurance to cover general liability as well as System providers not covered by the self-insured trust, employment practices liability, privacy and technology errors and omissions insurance, and workers’ compensation claims. The selected policy type, limits and deductibles are normal and customary for the size and scope of like-sized health care systems.

Litigation

There are no legal proceedings pending or, to the knowledge of management, threatened against MCHS or the other members of the Obligated Group except (i) legal proceedings involving claims

for general or professional liability for which the probable ultimate recoveries and the estimated costs and expenses of defense will be entirely within the Obligated Group Members' applicable insurance policy limits (subject to applicable deductibles) or (ii) legal proceedings involving other types of claims, in which an adverse determination would not, in the view of management, have a materially adverse effect on the financial condition or results of operations of MCHS or the other members of the Obligated Group.

Employees

As of March 31, 2024, the System had approximately 11,000 employees. The System is focused on high-performing employee engagement and staff development that result in the becoming an employer of choice. Like others in the health care industry, the System experiences challenges regarding recruitment and retention of clinical staff. To address these challenges, the System has invested in a variety of programs to develop the next generation of clinical staff. See “ – Education” above. Although the Obligated Group has no collective bargaining agreements, MMC-Dickinson has two existing union contracts that cover approximately 400 employees including nurses and other clinical and administrative staff that expire in 2027. Additionally, a new union recently received recognition by a small employee group of approximately 100 employees at MMC-Dickinson and negotiations for a new collective bargaining agreement is expected to commence shortly.

SOCIAL AND ECONOMIC INITIATIVES

Health Equity, Diversity and Inclusion

The System is committed to improving the overall health and well-being of its employees, patients, business partners and communities it serves by strategically focusing on health equity. To that end, the System has invested in a health equity, diversity and inclusion (“*HEDI*”) initiative focused on identifying and reducing health disparities and improving health outcomes of underserved populations. This work is a specific component of the System’s strategic plan and, as such, it has dedicated resources including an enterprise Office of Health Equity, Diversity and Inclusion (OHED), executive sponsorship, and a system oversight council.

Social Determinants of Health

The System has identified social determinants of health (SDOH) as a priority. Specific goals addressing SDOH are identified and integrated in various System strategic and operational plans including the HEDI Strategic Plan, Community Impact and Social Accountability (CISA) Strategy, Security Health Plan Strategic Plan, and all 11 Hospital Implementation Strategies (IS), to name a few. As part of these strategies, the System has developed and is implementing numerous initiatives to address SDOH among at risk populations.

Charitable Services

The System provides many forms of charitable services for the communities it serves. The System has a policy of providing health care to all patients in need of its services, regardless of the patient’s ability to pay. In addition, the System participates in various state and local social welfare

programs. The System works with over 400 different community organization on Community Health Initiatives.

Costs of providing medical services under the charity care program are estimated based on an allocation of total System costs as a percentage of gross charges by payor. The cost of charity care was approximately \$6.5 million and \$11.2 million for the years ended December 31, 2023 and 2022, respectively. Including the cost of charity care, the System's estimated unreimbursed costs of providing services for government supported or sponsored programs was approximately \$976.6 million and \$606.3 million greater than reimbursement received for such services, for the years ended December 31, 2023 and 2022, respectively.

Environmental Impact

The System has undertaken multiple projects at its facilities to lessen its impact on the environment. These include efficiency upgrades and projects such as LED lighting, retrocommissioning (RCx), enhanced automation control, equipment schedule review, air balancing, equipment optimization, energy efficient design and fuel switching. Since January 2019, the System has achieved an average energy usage reduction of over 20% in facilities where projects that focus on energy efficiency were completed. Eight of the System's facilities received an Energy to Care Award (from the American Society of Healthcare Engineers and the American Hospital Association) for progress made in recent years. Within the next few years the System will be working to incorporate additional initiatives to lessen its environmental impact and will include: Electric Fleet Vehicles, EV charging stations for employees and patients, and a thermal energy storage based chilled water cooling system at the Marshfield Campus.

SELECTED STATISTICAL AND FINANCIAL INFORMATION

General

The following condensed, consolidated financial information of the System as of and for each of the twelve months ended December 31, 2021, 2022 and 2023 has been derived from the audited consolidated financial statements. The consolidated results include the operations of Security Health Plan and MMC-Dickinson (which are not members of the Obligated Group), and Family Health Center ("*FHC*") (which was no longer a member of the obligated group effective January 1, 2022) as disclosed in the supplementary schedules of the audited consolidated financial statements included as Appendix B to this offering document.

The data as of March 31, 2024 and 2023, and for the three-month periods then ended has been derived from the unaudited consolidated financial statements for such periods. See Table A-6 and Table A-7 under the heading "HISTORICAL FINANCIAL PERFORMANCE" below. Management believes that the interim financials include all adjustments necessary to present such information in conformity with accounting principles generally accepted in the United States of America applied on a basis substantially consistent with that of the audited consolidated financial statements. The financial data as of March 31, 2024, and for the three-month period then ended is not necessarily indicative of the financial position and operating results to be expected for the entire twelve months ending December 31, 2024.

The System's consolidated results of operations include the results of all consolidated System entities, including the Non-Obligated Group Entities. See "THE SYSTEM" above.

The table below provides selected financial information for the entities that are Members of the Obligated Group and entities that are not Members of the Obligated Group. Members of the Obligated Group account for their ownership of various Non-Obligated Group Entities including Security Health Plan, MMC-Dickinson and FHC using the equity method of accounting and reflects its ownership interest as an asset. Accordingly, the Obligated Group's assets and net assets on its balance sheet reflects the ownership interest in these entities. Additionally, the Obligated Group's Statement of Operations includes operating results as equity earnings in revenue for these entities. In calculating the debt service coverage under the Master Indenture, income or loss from these entities accounted for under the equity method is included in net income. As of January 1, 2024, FHC is no longer consolidated into MCHS results and therefore the equity method of accounting for FHC will not be used and MCHS will no longer reflect its ownership interest in FHC as an asset.

As shown below, the Obligated Group, excluding MCHS's equity method of accounting for Security Health Plan, MMC-Dickinson and Family Health Center, constituted approximately 70% of the System's consolidated total revenues for the calendar year ended December 31, 2023. As of the end of the same period, the Obligated Group constituted approximately 84% and 70% of the System's consolidated total assets and total net assets, respectively. As of and for the three months ended March 31, 2024, the Members of the Obligated Group, excluding MCHS's equity method of accounting for Security Health Plan and MMC-Dickinson, represented approximately 69% of total System revenues, 86% of total System assets and 75% of total System net assets. These percentages are calculated net of applicable intercompany eliminations.

The financial information relating to Non-Obligated Group Entities is comprised mainly of Security Health Plan, MMC-Dickinson and Family Health Center, which entities are described in more detail under "OPERATIONS – Security Health Plan," "OPERATIONS – Michigan Market – MMC-Dickinson."

TABLE A-3
The System
Selected Financial Information
(dollars in thousands)

	Audited Twelve Months Ended December 31,			Unaudited Three Months Ended March 31,	
	2021	2022	2023	2023	2024
Total Revenues⁽¹⁾:					
Obligated Group	\$ 2,197,987	\$ 2,114,743	\$ 2,159,196	\$ 573,082	\$ 580,365
Non-Obligated Group ⁽²⁾	598,118	829,044	893,060	204,080	208,178
Consolidated System	<u>\$ 2,796,105</u>	<u>\$ 2,943,787</u>	<u>\$ 3,052,256</u>	<u>\$ 777,162</u>	<u>\$ 788,543</u>
Total Assets⁽¹⁾:					
Obligated Group	\$ 3,199,879	\$ 2,933,691	\$ 2,883,677	\$ 2,943,384	\$ 2,771,986
Non-Obligated Group ⁽²⁾	135,662	208,319	213,955	260,330	190,957
Consolidated System	<u>\$ 3,335,541</u>	<u>\$ 3,142,010</u>	<u>\$ 3,097,632</u>	<u>\$ 3,203,714</u>	<u>\$ 2,962,943</u>
Total Net Assets⁽¹⁾:					
Obligated Group	\$ 1,515,948	\$ 1,037,912	\$ 903,727	\$ 1,030,569	\$ 852,563
Non-Obligated Group ⁽²⁾	(440)	120	70	70	(417)
Consolidated System	<u>\$ 1,515,508</u>	<u>\$ 1,038,032</u>	<u>\$ 903,797</u>	<u>\$ 1,030,639</u>	<u>\$ 852,146</u>

⁽¹⁾ Certain figures have been reclassified to conform to the most recent audited, consolidated financial statement presentation.

⁽²⁾ Non-Obligated Group includes eliminations.

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Sources of Patient Service Revenue

The table below sets forth the payor mix for the System, based upon billed charges. Management anticipates that the commercial portion of the billed charges will decline as its service mix evolves, because commercial patients do not utilize acute care services to the same extent as ambulatory services.

TABLE A-4
Payor Charges
(For the Twelve Months Ended December 31, 2021, 2022 and 2023)

Payor	2021⁽¹⁾	2022⁽²⁾	2023⁽³⁾
Medicare	50%	50%	50%
Medicaid	13%	13%	13%
Commercial	36%	36%	36%
Patients – direct pay	1%	1%	1%
TOTAL	100%	100%	100%

⁽¹⁾ For fiscal year 2021, Security Health Plan constituted 38%, 42%, and 30% of the Medicare, Medicaid and Commercial totals, respectively for the System.

⁽²⁾ For fiscal year 2022, Security Health Plan constituted 38%, 42%, and 29% of the Medicare, Medicaid and Commercial totals, respectively for the System.

⁽³⁾ For calendar year 2023, Security Health Plan constituted 38%, 43%, and 30% of the Medicare, Medicaid and Commercial totals, respectively for the System.

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Historical Utilization

Clinical Practice Volume. The following table sets forth statistical measures of clinical services provided by the System.

TABLE A-5
Statistical Measures of Clinical Services

	Twelve Months Ended December 31,			Three Months Ended March 31,	
	2021	2022	2023	2023	2024
Patient Encounters ⁽¹⁾	1,986,327	2,042,849	1,983,543	475,854	491,607
Unique Patients ⁽²⁾	349,387	346,512	350,280	353,157	353,625
Beds in Service ⁽³⁾	599	660	660	660	659
Admissions ⁽³⁾	23,775	23,903	24,519	5,764	6,634
Patient Days ⁽³⁾	115,838	125,262	118,246	29,820	30,114
Average Length of Stay (days) ⁽³⁾	4.9	5.2	4.8	5.2	4.6
Surgeries ⁽³⁾					
Inpatient	7,577	7,446	6,605	1,633	1,602
Outpatient ⁽⁴⁾	48,821	50,812	52,021	12,528	13,236
Radiology Examinations Performed or Interpreted by System Physicians	549,099	542,886	536,512	130,576	130,278
Prescriptions at System's pharmacies	736,932	797,419	865,798	215,118	224,992
Lab Tests at Marshfield Laboratory	2,073,569	1,947,438	1,814,419	439,202	463,375
Emergency Department Visits ⁽³⁾	94,012	119,516	123,522	29,239	30,624

⁽¹⁾ An encounter is a single interaction, regardless of setting, between a patient and a System physician or other health care provider (such as a psychologist). A patient may have more than one encounter in a day.

⁽²⁾ A unique patient is a patient who receives care from System resources regardless of location and provider type. Each patient is counted only once no matter how many different departments or locations they may have had with appointments. The unique patient calculation is based on a rolling twelve-month time period.

⁽³⁾ Hospitals included: MMC-Rice Lake, MMC (7/1/17), MMC-Eau Claire (7/23/18), MMC-Ladysmith (9/1/18), MMC-Neillsville (12/1/18), MMC-Beaver Dam (5/1/19), MMC-Minocqua (6/15/20), MMC-Park Falls (8/1/20), MMC-Weston (8/1/20), MMC-Dickinson (2/1/22) and MMC-River Region (5/13/22). Hospitals are included in statistics on their acquisition or opening date.

⁽⁴⁾ Outpatient surgeries include the System's ambulatory surgery centers and hospitals.

Historical Financial Performance

TABLE A-6
System Consolidated Statements of Operations
And Changes in Net Assets without Donor Restrictions
(dollars in thousands)

	Audited Twelve Months Ended December 31,			Unaudited Three Months Ended March 31,	
	2021	2022	2023	2023	2024
Revenues:					
Net medical services revenue ⁽¹⁾	\$ 1,439,233	\$ 1,518,308	\$ 1,552,451	\$ 391,895	\$ 391,326
Premium revenue	1,217,366	1,298,926	1,418,265	359,906	381,687
Grants and contracts	106,785	79,459	52,691	14,556	8,560
Other	32,721	47,094	28,849	10,805	6,970
Total revenues	2,796,105	2,943,787	3,052,256	777,162	788,543
Operating Expenses:					
Salaries, contract labor and benefits	1,204,099	1,379,068	1,299,768	343,035	296,056
Medical claims expense	654,160	696,965	797,821	183,031	187,439
Supplies	527,265	563,495	599,347	145,917	148,292
Purchased and professional services	161,581	219,177	223,252	55,272	52,880
Depreciation and amortization	105,433	110,723	117,001	27,585	27,103
Goodwill impairment	-	115,000	4,965	-	-
Interest	40,877	43,072	69,317	14,389	18,670
Facilities	60,926	65,899	64,210	17,926	15,483
Other operating expenses	101,952	118,260	127,326	32,131	30,070
Total operating expenses	2,856,293	3,311,659	3,303,007	819,286	775,993
Income (loss) from operations	(60,188)	(367,872)	(250,751)	(42,124)	12,550
% of Operating Revenue	(2.2%)	(12.5%)	(8.2%)	(5.4%)	1.6%
Inherent contributions from affiliations	-	18,251	-	-	-
Non-operating gains(losses), net	76,792	(128,260)	96,972	33,337	24,747
Revenues and gains in excess (deficient) of expenses	16,604	(477,881)	(153,779)	(8,787)	37,297
% of Total Revenue	0.6%	(16.2%)	(5.0%)	(1.1%)	4.7%
Deconsolidation of Family Health Center	-	-	-	-	(90,204)
Other changes in net assets without donor restrictions	5,680	4,446	(50)	108	223
Increase (decrease) net assets without donor restrictions	22,284	(473,435)	(153,829)	(8,679)	(52,684)
Net assets without donor restrictions at beginning of year	1,442,976	1,465,260	991,825	991,825	837,996
Net assets without donor restrictions at end of year	\$ 1,465,260	\$ 991,825	\$ 837,996	\$ 983,146	\$ 785,312

⁽¹⁾ Net Medical service revenue presented is after bad debt expense.

TABLE A-7
System Consolidated Balance Sheets
(dollars in thousands)

	As of December 31,			As of March 31,	
	2021	2022	2023	2023	2024
Assets:					
Cash and cash equivalents	\$ 128,028	\$ 136,329	\$ 106,600	\$ 148,466	\$ 65,310
Short-term investments	91,681	1,850	187,460	2,461	153,912
Current portion of assets whose use is limited or restricted					
Internally designated	56,099	45,846	7,408	33,799	-
Externally restricted	4,711	2,345	4,961	4,250	5,588
Patient receivables	304,124	321,340	258,599	336,375	284,141
Other receivables	114,281	118,331	127,361	126,688	132,979
Prepaid expenses and other	95,646	101,419	101,346	99,728	96,733
Total current assets	794,570	727,460	793,735	751,767	738,663
Assets whose use is limited or restricted, net of current portion					
Internally designated	220,954	224,941	255,317	238,615	205,208
Externally restricted	71,564	66,931	75,011	67,341	76,077
Investments	972,843	825,483	716,326	850,560	732,202
Notes receivable from and investments in affiliates	39,219	39,176	38,382	38,118	37,680
Property, plant, and equipment, net	1,107,247	1,241,157	1,207,336	1,241,388	1,162,613
Other assets	129,144	16,862	11,525	15,295	10,500
Total assets	\$ 3,335,541	\$ 3,142,010	\$ 3,097,632	\$ 3,203,714	\$ 2,962,943
Liabilities and Net Assets:					
Current liabilities:					
Current installments of long-term debt	\$ 14,987	\$ 16,234	\$ 325,392	\$ 17,723	\$ 318,576
Medical claims payable	95,177	110,883	111,990	105,114	99,048
Accounts Payable	98,096	97,219	73,953	86,882	81,096
Line of credit	-	160,000	170,000	170,000	110,000
Accrued expenses	117,208	180,469	152,594	193,881	148,024
Deferred revenue	84,403	25,929	35,358	93,920	33,728
Total current liabilities	409,871	590,734	869,287	667,520	790,472
Long-term debt, less current installments and unamortized discount and premium	1,274,894	1,394,939	1,189,943	1,383,863	1,184,627
Other liabilities	135,268	118,305	134,605	121,692	135,698
Total liabilities	1,820,033	2,103,978	2,193,835	2,173,075	2,110,797
Net assets:					
Without donor restrictions	1,465,260	991,825	837,996	983,146	785,312
With donor restrictions	50,248	46,207	65,801	47,493	66,834
Total net assets	1,515,508	1,038,032	903,797	1,030,639	852,146
Total liabilities and net assets	\$ 3,335,541	\$ 3,142,010	\$ 3,097,632	\$ 3,203,714	\$ 2,962,943

Key Ratios/Master Indenture

TABLE A-8
The Obligated Group
Maximum Annual Debt Service Coverage Ratio
(dollars in thousands)

	Twelve Months Ended December 31,		
	2021	2022	2023 ⁽²⁾
Revenues and gains in excess (deficit) of expenses	\$ 15,213	\$ (477,812)	\$ (153,770)
Adjustments:			
Interest expense	40,644	42,375	71,154
Depreciation and amortization	104,542	104,807	112,346
Goodwill impairment	-	115,000	4,965
Unrealized (gains)/losses and other	(15,509)	175,277	(46,500)
Extraordinary Items	18,373	13,154	5,580
Income Available for Debt Service	\$ 163,263	\$ (27,199)	\$ (6,225)
Maximum Annual Debt Service Requirement on Funded Indebtedness (“MADS”)	66,863	81,948	87,515
Maximum Annual Debt Service Coverage Ratio ⁽¹⁾⁽³⁾	2.4	(0.3)	(0.1)
Historical <i>Pro Forma</i> MADS	99,943	99,943	99,943
Historical <i>Pro Forma</i> MADS Coverage Ratio	1.6	(0.3)	(0.1)

⁽¹⁾ Maximum annual debt service coverage ratio of the Obligated Group is calculated quarterly as (trailing twelve months income available for debt service) / (maximum annual debt service), in accordance with the bank agreements. The calculation methodology is the same under the bank agreements and the Master Indenture except that under the Master Indenture coverage is calculated annually as of the end of each Fiscal Year, not quarterly.

⁽²⁾ Maximum annual debt service coverage ratio of the Obligated Group does not include any principal payments under New Market Tax Credit (“NMTC”) Financing because it is the expectation of all parties to unwind the transaction for a nominal fee at Year 7. Maximum annual debt service coverage ratio is (0.1x) for December 31, 2023 if the full debt service is included.

⁽³⁾ Under the Master Indenture, when calculating Income Available for Debt Service, gains and expenses that are “Extraordinary Items” are excluded. “Extraordinary Items” is defined by the Master Indenture to mean “the after-tax financial impact of significant events, transactions, or activities that are both unusual in nature and infrequent in occurrence. Such extraordinary events, transactions or activities include, but are not limited to, the following: (i) Force Majeure Events, (ii) affiliation or asset acquisitions activities, including direct expenses incurred related to pre-affiliation or acquisition activities, such as, without limitation, legal fees, consultant fees and due diligence costs, as well as post affiliation or acquisition adjustments and (iii) insurance settlements.” For the twelve months ended December 31, 2023, Income Available for Debt Service excluded \$5.6 million in expenses related to acquisitions, merger and COVID-19 expenses. For the twelve months ended December 31, 2022, Income Available for Debt Service excluded \$36.1 million in expenses related to acquisitions, and COVID-19 expenses and excluded \$22.9 million in COVID-19 revenue and contributions from affiliation. For the twelve months ended December 31, 2021, Income Available for Debt Service excluded \$68.2 million in expenses related to acquisitions and COVID-19 expenses and excluded \$49.8 million in COVID-19 revenue.

TABLE A-9
The Obligated Group
Days Cash on Hand⁽¹⁾
(dollars in thousands)

	As of and for the Twelve Months Ended December 31,			As of and for the Three Months Ended March 31,	
	2021 ⁽²⁾	2022 ⁽²⁾	2023	2023	2024
Cash and cash equivalents	\$99,648	\$25,498	\$20,086	\$15,512	\$39,970
Investments	803,924	593,209	653,245	611,819	632,633
Assets whose use is limited	346,283	263,165	272,180	269,818	280,807
Less: Trustee held funds	(39,148)	(36,255)	(19,220)	(18,102)	(19,598)
Less: Donor restricted funds and non-cash assets	(52,498)	(46,728)	(55,072)	(48,030)	(56,002)
Unrestricted Cash and Investments	1,158,209	798,889	871,219	831,017	877,810
Operating Expenses per Day:					
Total expenses	2,257,703	2,507,538	2,386,886	2,544,966	2,347,879
Less: Depreciation and amortization	(101,973)	(104,807)	(112,346)	(106,878)	(111,786)
Less: Goodwill impairment	-	(115,000)	(4,965)	(115,000)	(4,965)
Adjusted Total expenses	2,155,730	2,287,731	2,269,575	2,323,088	2,231,128
Number of days in period	365	365	365	365	366
Operating Expenses per Day	\$5,906	\$6,268	\$6,218	\$6,365	\$6,096
Days Cash on Hand⁽³⁾	196.1	127.5	140.1	130.6	144.0

⁽¹⁾ Days cash on hand of the Obligated Group is calculated as (unrestricted cash) / (trailing twelve months operating expenses (excluding depreciation, goodwill impairment and interest))/365, in accordance with outstanding bank agreements, which calculations use certain defined terms from the Master Indenture.

⁽²⁾ Certain figures have been restated to conform to the current presentation.

⁽³⁾ Excluding the \$54.9 million at December 31, 2021 in CMS Accelerated and Advance Payment Program included above, days of cash on hand was 186.8 days at December 31, 2021.

Other Financial Ratios

TABLE A-10(A)
Financial Ratios – System

	Twelve Months Ended December 31,			Three Months Ended March 31,	
	2021	2022	2023	2023	2024
Operating margin ⁽¹⁾	(2.2)%	(12.5)%	(8.2)%	(5.4)%	1.6%
Operating EBITDA ⁽²⁾	3.1%	-3.4%	(1.9)%	0.0%	7.4%
Days cash on hand ⁽³⁾	186.7	138.7	140.7	142.7	129.4
Debt to capitalization ⁽⁴⁾	46.8%	58.7%	64.4%	58.8%	65.7%
Maximum annual debt service coverage ratio ⁽⁵⁾	2.5 ⁽⁷⁾	(0.2) ⁽⁷⁾	0.0 ⁽⁷⁾	(1.0) ⁽⁷⁾	0.6 ⁽⁶⁾⁽⁷⁾

⁽¹⁾ Operating margin of the System is calculated as fiscal year to date (income (loss) from operations) / (total operating revenues).

⁽²⁾ Operating EBITDA Margin of the System is calculated as fiscal year to date (income (loss) from operations plus interest plus depreciation and amortization plus goodwill impairment) / (total operating revenues).

⁽³⁾ Days cash on hand of the System is calculated as (unrestricted cash) / (trailing twelve months operating expenses (excluding depreciation, interest and goodwill impairment))/365, in accordance with outstanding bank agreements, which calculations use certain defined terms from the Master Indenture. Excluding the remaining \$54.9 million at December 31, 2021 in CMS Accelerated and Advance Payment Program included above, days cash on hand was 179.4 at December 31, 2021.

⁽⁴⁾ Debt to capitalization of the System is calculated as (long-term debt) / (long-term debt plus total net assets without donor restrictions), in accordance with outstanding bank agreements, which calculations use certain defined terms from the Master Indenture.

⁽⁵⁾ Maximum annual debt service coverage ratio of the System is calculated quarterly as (trailing twelve months income available for debt service) / (maximum annual debt service), in accordance with the bank agreements. The calculation methodology is the same under the bank agreements and the Master Indenture except that under the Master Indenture coverage is calculated annually as of the end of each Fiscal Year, not quarterly.

⁽⁶⁾ Maximum annual debt service coverage ratio of the System does not include any principal payments under NMTC Financing because it is the expectation of all parties to unwind the transaction for a nominal fee at Year 7. Maximum annual debt service coverage ratio is 0.0x for December 31, 2023 if the full debt service is included.

⁽⁷⁾ Under the Master Indenture, when calculating Income Available for Debt Service, gains and expenses that are “Extraordinary Items” are excluded. “Extraordinary Items” is defined by the Master Indenture to mean “the after-tax financial impact of significant events, transactions, or activities that are both unusual in nature and infrequent in occurrence. Such extraordinary events, transactions or activities include, but are not limited to, the following: (i) Force Majeure Events, (ii) affiliation or asset acquisitions activities, including direct expenses incurred related to pre-affiliation or acquisition activities, such as, without limitation, legal fees, consultant fees and due diligence costs, as well as post affiliation or acquisition adjustments and (iii) insurance settlements.” For the twelve months ended March 31, 2024, Income Available for Debt Service excluded \$0.7 million in expenses related to acquisitions and merger expenses. For the twelve months ended March 31, 2023, Income Available for Debt Service excluded \$21.7 million in expenses related to acquisitions, merger and COVID-19 expenses, and excluded \$10.3 million in COVID-19 revenue and revenue related to inherent contributions from affiliations. For the twelve months ended December 31, 2023, Income Available for Debt Service excluded \$5.7 million in expenses related to acquisitions, merger and COVID-19 expenses. For the twelve months ended December 31, 2022, Income Available for Debt Service excluded \$37.0 million in expenses related to acquisitions, and COVID-19 expenses and excluded \$22.9 million in COVID-19 revenue and contributions from affiliation. For the twelve months ended December 31, 2021, Income Available for Debt Service excluded \$68.2 million in expenses related to acquisitions and COVID-19 expenses and excluded \$49.8 million in COVID-19 revenue.

TABLE A-10(B)
Financial Ratios – The Obligated Group

	Twelve Months Ended December 31,			Three Months Ended March 31,	
	2021	2022	2023	2023	2024
Operating margin ⁽¹⁾	(2.7%)	(18.6)%	(10.5)%	(6.0)%	2.6%
Operating EBITDA ⁽²⁾	3.8%	(6.3)%	(2.0)%	1.0%	10.3%
Days cash on hand ⁽³⁾	196.1	127.5	140.1	130.6	144.0
Debt to capitalization ⁽⁴⁾	46.7%	58.4%	64.1%	58.4%	65.4%
Maximum annual debt service coverage ratio ⁽⁵⁾	2.4 ⁽⁷⁾	(0.3) ⁽⁷⁾	(0.1) ⁽⁷⁾	(1.1) ⁽⁷⁾	0.6 ⁽⁶⁾⁽⁷⁾

⁽¹⁾ Operating margin of the Obligated Group is calculated as fiscal year to date (income (loss) from operations) / (total operating revenues).

⁽²⁾ Operating EBITDA Margin of the Obligated Group is calculated as fiscal year to date (income (loss) from operations plus interest plus depreciation and amortization plus goodwill impairment) / (total operating revenues).

⁽³⁾ Days cash on hand of the Obligated Group is calculated as (unrestricted cash) / (trailing twelve months operating expenses (excluding depreciation, interest and goodwill impairment))/365, in accordance with outstanding bank agreements, which calculations use certain defined terms from the Master Indenture. Excluding the remaining \$54.9 million at December 31, 2021 in CMS Accelerated and Advance Payment Program included above, days cash on hand was 186.8 at December 31, 2021.

⁽⁴⁾ Debt to capitalization of the Obligated Group is calculated as (long-term debt) / (long-term debt plus total net assets without donor restrictions), in accordance with outstanding bank agreements, which calculations use certain defined terms from the Master Indenture.

⁽⁵⁾ Maximum annual debt service coverage ratio of the Obligated Group is calculated quarterly as (trailing twelve months income available for debt service) / (maximum annual debt service), in accordance with the bank agreements. The calculation methodology is the same under the bank agreements and the Master Indenture except that under the Master Indenture coverage is calculated annually as of the end of each Fiscal Year, not quarterly.

⁽⁶⁾ Maximum annual debt service coverage ratio of the Obligated Group does not include any principal payments under NMTC Financing because it is the expectation of all parties to unwind the transaction for a nominal fee at Year 7. Maximum annual debt service coverage ratio is (0.1)x for December 31, 2023 if the full debt service is included.

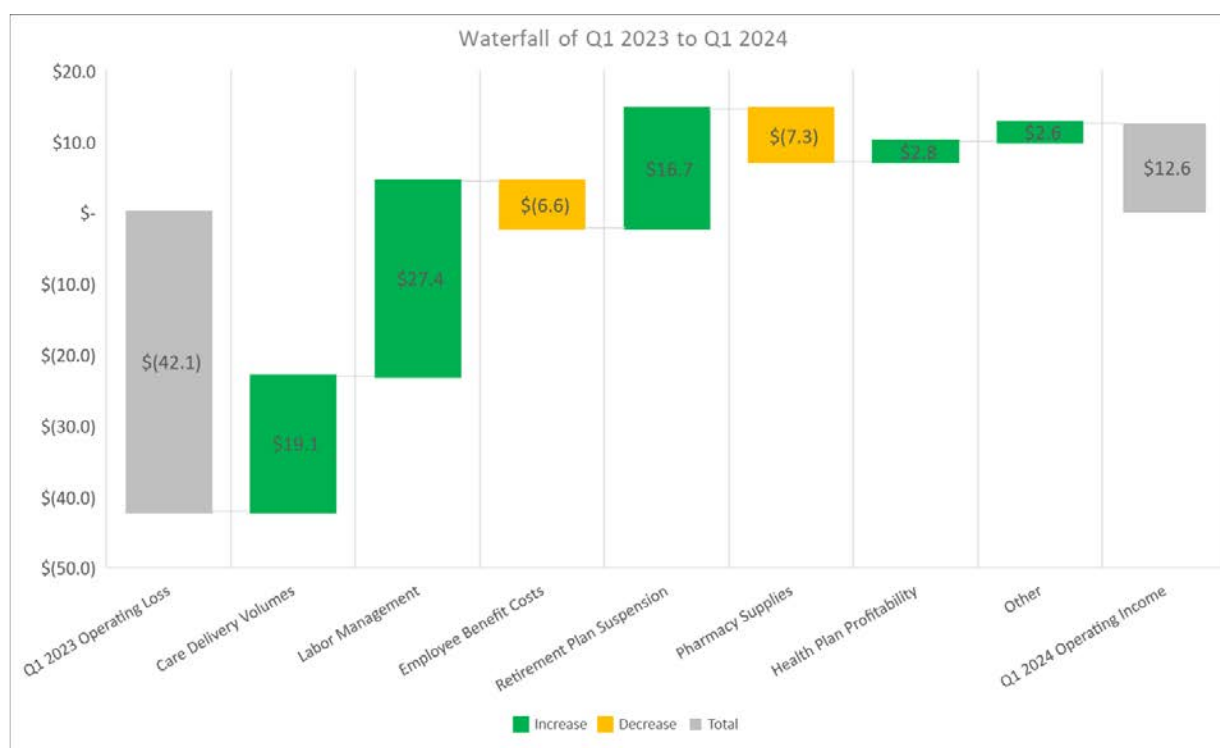
⁽⁷⁾ Under the Master Indenture, when calculating Income Available for Debt Service, gains and expenses that are “Extraordinary Items” are excluded. “Extraordinary Items” is defined by the Master Indenture to mean “the after-tax financial impact of significant events, transactions, or activities that are both unusual in nature and infrequent in occurrence. Such extraordinary events, transactions or activities include, but are not limited to, the following: (i) Force Majeure Events, (ii) affiliation or asset acquisitions activities, including direct expenses incurred related to pre-affiliation or acquisition activities, such as, without limitation, legal fees, consultant fees and due diligence costs, as well as post affiliation or acquisition adjustments and (iii) insurance settlements.” For the twelve months ended March 31, 2024, Income Available for Debt Service excluded \$0.7 million in expenses related to acquisitions and merger expenses. For the twelve months ended March 31, 2023, Income Available for Debt Service excluded \$21.0 million in expenses related to acquisitions, merger and COVID-19 expenses, and excluded \$10.3 million in COVID-19 revenue and revenue related to inherent contributions from affiliations. For the twelve months ended December 31, 2023, Income Available for Debt Service excluded \$5.6 million in expenses related to acquisitions, merger and COVID-19 expenses. For the twelve months ended December 31, 2022, Income Available for Debt Service excluded \$36.1 million in expenses related to acquisitions, and COVID-19 expenses and excluded \$22.9 million in COVID-19 revenue and contributions from affiliation. For the twelve months ended December 31, 2021, Income Available for Debt Service excluded \$68.2 million in expenses related to acquisitions and COVID-19 expenses and excluded \$49.8 million in COVID-19 revenue.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RECENT FINANCIAL PERFORMANCE

System Results – Three Months Ended March 31, 2024 Compared to Three Months Ended March 31, 2023

The following analyses compare the three months ended March 31, 2024 with the three months ended March 31, 2023. The System generated earnings before interest, depreciation and amortization (EBIDA) of \$58.3 million (+7.4% margin), in comparison to a loss of \$(0.2) million in the prior period, an increase of \$58.5 million. The System generated income from operations of \$12.6 million (+1.6% margin), compared to an operating loss of \$42.1 million in the prior period, an increase of \$54.7 million.

As outlined below, the key drivers of the improvement in operating performance were increased health plan profitability, higher care delivery patient volumes, strong labor management, temporary suspension of retirement plan contributions and leadership salary reductions. These factors were partially offset by higher employee medical insurance trends, and unfavorable pharmacy supply expense trends.



The System generated total revenues of \$788.5 million compared to \$777.2 million in the prior period, an increase of \$11.3 million (+1.5%) due primarily to an increase in premium revenue and strong patient care volumes, offset by decreases in grants and contracts and other revenues as explained further below.

Premium revenues totaled \$381.7 million, representing an increase of \$21.8 million (+6.1%) due primarily to an increase in health plan membership and positive settlements on government

programs. On a standalone basis, this favorable premium revenue was offset by higher medical services costs, including those amounts paid to the System's care delivery operations, leading to higher overall health plan profitability of \$2.8 million.

The System generated higher patient volumes which contributed to \$19.1 million higher net patient service revenue for the care delivery operations, including the services provided to Security Health Plan members.

Grants and contracts revenues decreased \$6.0 million (-41.2%). The decrease reflects the deconsolidation of FHC along with a higher level of COVID-19 Provider Relief Funds received in the three months ended March 31, 2023 compared to same time period in 2024.

Total operating expenses were \$776.0 million, a decrease of \$43.3 million (-5.3%). The decrease in total expenses was primarily due to a reduction in salaries, contract labor and benefits. Further details regarding certain expense categories are noted in the discussion below.

Salaries, contract labor and benefits expenses improved to 38.2% from 41.9% of total expenses for the three months ended March 31, 2024 and 2023, respectively, a decrease of \$47.0 million (-13.7%). Excluding the impact of the FHC deconsolidation which was included in the first quarter of 2023 but not in 2024, salaries, contract labor and benefits decreased \$37.5 million. The decrease is due to a reduction in the number of full-time equivalent employees attributable to two separate rounds of reductions in force, implementation of a system-wide position control process and a new labor productivity tool that matches staffing to volumes and benchmarks. The System instituted a reduction in force in May 2023, and in January 2024 instituted a furlough of employees which turned into a permanent reduction in force in May 2024. These reductions in force were coupled with a new labor productivity tool that was put into place in November 2023 that enables the organization to match clinical staffing levels with volumes and national productivity benchmarks. Starting in 2023, all new or replacement positions follow a system-wide position control process that requires approval by a central committee and utilizes productivity and cost benchmark standards. Additionally, in November 2023, the System temporarily suspended contributions to its retirement plans some of which were effective as of December 31, 2023 with the remaining effective January 1, 2024, both of which remained suspended through the first quarter 2024. See "—Retirement Plans" below for further discussion. Offsetting these gains was a higher trend in employee group health insurance costs.

Interest expense increased by \$4.3 million (+29.8%). This increase is due to higher variable interest rates and the incurrence of additional debt of \$120 million in April 2023.

Supplies expense increased \$2.4 million (+1.6%) with pharmacy expense increasing \$7.3 million, reflecting lower 340b savings and inflation on drug costs, offset by decreases in medical and non-medical supply costs.

Non-operating gains, net decreased \$8.6 million (-25.8%), driven primarily by lower market values on the System's investment portfolios through March 31, 2024. Unrealized gains for the three months ended March 31, 2024 were \$10.6 million compared to \$27.9 million for the three months ended March 31, 2023.

Liquidity, as measured by total cash, short-term investments, assets whose use is limited and investments, decreased by \$107.2 million (-8.0%) to \$1.2 billion. The decrease is due to a \$60 million line of credit payoff in March 2024 and the deconsolidation of FHC from the System, offset by lower capital project spend. The System has a highly liquid, conservative investment strategy with 67.9% of the portfolio allocated to fixed income investments at March 31, 2024 and 85.3% of its investment portfolio able to be liquidated daily under normal market conditions. At March 31, 2024, the System had \$120 million in lines of credit of which \$110 million is drawn and outstanding. The other two lines of credit totaling \$60 million, both with the same bank, were consolidated into one line of credit and its maturity was extended to April 9, 2025.

Patient receivables decreased \$52.2 million (-15.5%) due to improved cash collections associated with improvements in revenue cycle and recovery from challenges related to the One System EHR implementation that had caused delays in billing and collections.

Property, plant and equipment, net decreased \$78.8 million (-6.3%) due to the deconsolidation of FHC from the System coupled with a decrease in capital expenditures designed to preserve liquidity.

Accrued expenses decreased \$45.9 million (-23.7%) due to the temporary suspension of the system's retirement plan contributions and the deconsolidation of FHC from the System.

Deferred revenue decreased \$60.2 million (-64.1%) due to the timing of Medicare Advantage premium payments to the health plan occurring in the first quarter of 2024 as compared to first quarter of 2023.

Long-term debt increased by \$101.6 million. This increase is due to the issuance of the 2023B Taxable Bonds in April 2023, offset by regular principal payments on outstanding debt. The System's debt-to-capitalization ratio was 65.7%, as compared to 58.8% in the prior year. For further information see March 31, 2024 quarterly filing at: <https://emma.msrb.org/P21811186-P21389511-P21830139.pdf> which is incorporated by reference herein. The increase in debt-to-capitalization ratio is due to the increase in Long-term debt with new issuance, coupled with a decrease in Net Assets without Donor Restrictions of \$197.8 million (-20.1%) due to operating losses in 2023 and deconsolidation of FHC from the System in 2024.

System Results – Twelve Months Ended December 31, 2023 Compared to Twelve Months Ended December 31, 2022

The following analyses compare the twelve months ended December 31, 2023 with the twelve months ended December 31, 2022. The System generated an earnings before interest, depreciation and amortization (EBIDA) loss of \$59.5 million (-1.9% margin), in comparison to a loss of \$99.1 million in the prior year, an improvement of \$39.6 million. The System generated an operating loss of \$250.8 million (-8.2% margin), compared to an operating loss of \$367.9 million in the prior year, an improvement of \$117.1 million.

The System generated total revenues of \$3.1 billion compared to \$2.9 billion generated in the prior year, an increase of \$108.5 million (+3.7%), due primarily to an increase in premium revenue and net medical services revenue, offset by decreases in grants and contracts and other revenues as explained further below.

Net medical services revenue increased \$34.1 million (+2.2%), due to the stabilization of revenue cycle collection processes, the addition of MMC-Dickinson and MMC-River Region and reclassification of certain revenues from other revenues.

Premium revenues totaled \$1.4 billion, representing an increase of \$119.3 million (+9.2%) due primarily to an increase in members and rate increases across product lines.

Grants and contracts revenues decreased \$26.8 million (-33.7%). The decrease was primarily driven by a higher level of COVID-19 Provider Relief Funds and lab grants received in the twelve months ending December 31, 2022 compared to same time period in 2023.

Other revenues decreased \$18.2 million (-38.7%) primarily due to reclassification of certain revenue to net medical services revenue.

Total operating expenses were \$3.3 billion, a decrease of \$8.7 million (-0.3%). The decrease in total expenses was primarily due to a decrease in salaries, contract labor and benefits, and the goodwill impairment expense recorded in December of 2022. This reduction was offset by higher medical claims expense, supplies, interest and the addition of MMC-Dickinson and MMC-River Region to the System. Further details regarding certain expense categories are noted in the discussion below.

Salaries, contract labor and benefits expenses continue to account for the most significant component of the System's total expenses, representing 39.4% and 41.6% of total expenses for the twelve months ended December 31, 2023 and 2022, respectively. The System's salaries, contract labor and benefits expenses decreased \$79.3 million (-5.8%). The decrease is attributable to the suspension of the Employee Retirement Plan contribution during fiscal year 2023, a reduction in contract labor, premium pay and overall full-time equivalent employee hours, partially offset by additional employees at MMC-Dickinson and MMC-River Region being added to the System. Salaries, contract labor and benefit costs that were capitalized were \$2.1 million compared to \$4.9 million during the same time frame in the prior year.

Consolidated medical claims expense increased \$100.9 million (+14.5%) which is unfavorable to the 9.2% increase in consolidated premium revenue. On a standalone basis, Security Health Plan's medical claims expense increased \$122.8 million or 10.4%, which slightly outpaced the growth in premium revenue of 9.4%.

Supplies expense increased \$35.9 million (+6.4%) due primarily to the cost of pharmaceuticals and a reduction in savings under the 340b program, as well as increases due to the addition of MMC-Dickinson and MMC-River Region.

Goodwill impairment decreased \$110.0 million due to an impairment write-off of goodwill in December 2022.

Interest expense increased by \$26.2 million (+60.9%). This increase is due to higher variable interest rates, the incurrence of additional debt of \$50 million in October 2022, \$120 million in April 2023 and \$10 million additional draws on lines of credit. Capitalized interest was \$1.1 million compared to \$2.2 million during the same time frame in the prior year.

Inherent contributions from affiliations decreased \$18.3 million due to the addition of MMC-Dickinson to the System in February 2022.

Non-operating gains (losses), net increased \$225.2 million (+175.6%), driven primarily by higher market values on the System's investment portfolios through December 31, 2023. Unrealized gains for the twelve months ended December 31, 2023 were \$46.5 million compared to unrealized losses of \$175.1 million for the twelve months ended December 31, 2022.

The System purchased \$103.6 million of property, plant and equipment, a decrease of \$89.0 million (-46.2%) compared to purchases in the same period of the prior year. The decrease is due to initiatives to reduce capital projects to preserve liquidity.

Liquidity, as measured by total cash, short-term investments, assets whose use is limited and investments, increased by \$49.4 million (+3.8%) to \$1.4 billion. Days of cash on hand was 141 days compared to 139, respectively, an increase of 2 days. The increase is due to the debt issuance in April 2023, higher cash collections and lower capital spend offset by an increase in average daily expenditures. The increase in rolling 12-month average daily expenditures is 3.1% from December 31, 2022 to December 31, 2023, due to cost inflation and overall growth of the System. This increase in average daily expenditures represents approximately 4 days of cash.

The System has a highly liquid, conservative investment strategy with 71.7% of the portfolio allocated to fixed income investments at December 31, 2023 and 88.2% of its investment portfolio able to be liquidated daily under normal market conditions. At December 31, 2023, the System had \$180 million in lines of credit of which \$170 million is drawn and outstanding.

Patient receivables decreased \$62.7 million (-19.5%) due to increased cash collections during 2023 associated with improvements in revenue cycle and recovery from challenges related to the One System EHR implementation that had caused delays in billing and collections in 2022.

Other assets decreased by \$5.3 million (-31.7%) due primarily to an impairment write-off of goodwill in December 2023.

Current portion of long-term debt increased \$309.2 million due to a tenor change on the 2012A, 2019A, 2022G and 2023B bonds to November 2024.

Accounts Payable decreased \$23.3 million (-23.9%) driven by the timing of invoices and lower capital spend in 2023.

Accrued expenses decreased \$27.9 million (-15.4%) due to the reversal of the employee retirement contribution for fiscal year 2023.

Deferred revenue increased \$9.4 million (+36.4%) due to settlements on government programs.

Long-term debt decreased by \$205.0 million. This decrease is due to the change in tenor on the 2012A, 2019A, 2022G and 2023B bonds and regular principal payments on outstanding debt, offset by the issuance of the 2023B Taxable Bonds and 2022G Taxable Bonds. The System's debt-to-capitalization ratio was 64.4%, as compared to 58.7% in the prior year. The increase in

debt-to-capitalization ratio is due to the increase in Long-Term Debt with new issuance, coupled with a decrease in Unrestricted Net Assets due to operating losses and goodwill write-off.

Other liabilities increased \$16.3 million (+13.8%) due to the payoff of MMC-Dickinson and MMC-Beaver Dam defined benefit pension liability, partially offset by the increase in deferred compensation.

System Results – Twelve Months Ended December 31, 2022 Compared to Twelve Months Ended December 31, 2021

The following analyses compare the twelve months ended December 31, 2022 with the twelve months ended December 30, 2021. The System generated earnings before interest, depreciation and amortization (EBIDA) loss of \$99.1 million (-3.4% margin), in comparison to earnings of \$86.1 million in the prior year, a decrease of \$185.2 million. The System generated an operating loss of \$367.9 million (-12.5% margin), compared to an operating loss of \$60.2 million in the prior year, a degradation of \$307.7 million.

Operating performance produced negative margins in 2022 and also represents a decline from 2021 due to additional costs related to contract labor and inflation pressures on wages and supplies, the effects of the OneSystem EHR implementation that is causing an unexpected level of productivity disruptions reducing revenues, and additional operational costs to support the activations, and a higher net negative effect due to the pandemic as explained further below. These negative factors were offset by cost efficiency improvements achieved through the System's Driving our Future program as well as management initiatives targeted at improving financial results and revenues related to finalization of prior years' settlements on government programs at both the health plan and in care delivery. Management is focused on implementing various initiatives aimed at improving financial results through increasing volumes, improved revenue cycle, labor management, service rationalization, and reducing costs.

Starting in late July 2021, COVID-19 cases began to rise in the area served by the System, which disrupted the delivery of care through February 2022 and resulted in some delay of non-emergent care, increased supply and labor costs related to care for the higher level of COVID-19 cases and an increase in the System's length of stay. The pandemic has significantly affected the availability of post-acute care services increasing length of stay even as inpatient COVID volumes have declined. The negative effect of the pandemic to the System's care delivery results was \$31.5 million (net of \$4.7 million of relief) in twelve months ended December 31, 2022, an increase of \$13.5 million over the negative effect of \$18.0 million (net of \$49.8 million of relief) in the twelve months ended December 31, 2021.

The System generated total revenues of \$2.9 billion compared to \$2.8 billion generated in the prior year, an increase of \$147.7 million (+5.3%) due to an increase in net medical services revenue and premium revenue as explained further below.

Net medical services revenue totaled \$1.5 billion, representing an increase of \$79.1 million (+5.5%) primarily due to the addition of MMC-Dickinson and MMC-River Region as well as additional reimbursement related to the finalization of prior years' settlements on government programs at Family Health Center, offset in part by the implementation of OneSystem EHR.

Premium revenue totaled \$1.3 billion, representing an increase of \$81.6 million (+6.7%) due primarily to an increase in members and an increase in Medicare Advantage premium per member as well as additional revenue related to the finalization of prior years' settlements related to Security Health Plan's risk adjustment payments.

Grants and contracts decreased \$27.3 million (-25.6%) due to a decrease in COVID-19 Provider Relief Funds recognized in revenue compared to 2021, partially offset by growth in research grants.

Other Operating revenues increased \$14.4 million (+43.9%) primarily due to the addition of MMC-Dickinson to the System.

Total operating expenses were \$3.3 billion, an increase of \$455.4 million (+15.9%). The increase in total expenses was primarily due to higher salaries, contract labor and benefits expense, OneSystem EHR implementation operational activation support costs, and the addition of MMC-Dickinson and MMC-River Region to the System. Further details regarding certain expense categories are noted in the discussion below.

Salaries, contract labor and benefits expense continue to account for the most significant component of the System's total expenses, representing 41.6% and 42.2% of total expenses for the twelve months ended December 31, 2022 and 2021, respectively. The System's salaries, contract labor and benefits expenses increased \$175.0 million (+14.5%). The increase is attributable to wage inflation in the labor market, additional employees with MMC-Dickinson and MMC-River Region, an increase in contract labor and premium pay related to staffing vacancies and additional operational support costs related to the OneSystem EHR implementation. Salaries, contract labor and benefit costs that were capitalized were \$4.9 million compared to \$8.6 million during the same time frame in the prior year.

Consolidated medical claims expense increased \$42.8 million (+6.5%) which is favorable to the 6.7% increase in consolidated premium revenue. Prior to intercompany eliminations, Security Health Plan's medical claims expense increased \$69.6 million (+6.3%), but improved as a percentage of premium, representing 91.0% of Security Health Plan's premium revenue, as compared to 91.4% during the same time frame in the prior year.

Supplies expense increased \$36.2 million (+6.9%) due primarily to the addition of MMC-Dickinson and MMC-River Region, inflation on supply costs, and increases in the cost of pharmaceuticals.

Purchased services expense increased \$57.6 million (+35.6%) due primarily to the addition of MMC-Dickinson and MMC-River Region to the System, along with consulting expenses supporting revenue cycle, OneSystem EHR implementation, and information services initiatives.

Depreciation and amortization expense increased by \$5.3 million (+5.0%) primarily due to the addition of MMC-Dickinson and MMC-River Region to the System.

Interest expense increased by \$2.2 million (+5.4%). This increase is due to the incurrence of additional debt in February 2022 and higher short-term interest rates offset in part by higher

capitalized interest and lower rate interest rates due to refinancing. Capitalized interest was \$2.2 million compared to \$0.9 million during the same time frame in the prior year.

Other operating expenses increased by \$16.3 million (+16.0%). The increase is primarily due to an increase in software costs that are purchased as a Software-As-A-Service along with the addition of MMC-Dickinson and MMC-River Region.

Inherent contributions from affiliations increased \$18.3 million due to the addition of MMC-Dickinson to the System in February 2022.

Non-operating (losses) gains, net decreased \$205.1 million (-267.0%), driven primarily by lower market values on the System's investment portfolios through December 31, 2022. Unrealized losses for the twelve months ended December 31, 2022 were \$175.1 million compared to unrealized gains of \$15.5 million for the twelve months ended December 31, 2021.

The System purchased \$192.6 million of property, plant and equipment, an increase of \$74.2 million (+62.7%) compared to purchases through the same period of the prior year. The increase is due to hospital construction projects in Ladysmith, Stevens Point and Wisconsin Rapids as well as renovations on the Marshfield campus and the capitalized costs to implement the OneSystem EHR.

Liquidity, as measured by total cash, short-term investments, assets whose use is limited and investments, decreased by \$242.2 million (-15.7%) to \$1.3 billion. The decrease is due to lower cash generated from operations, decrease in market value of investments, increase in average daily expenditures and an increase in capital projects funded by cash.

The System has a highly liquid, conservative investment strategy with 61.0% of the portfolio allocated to fixed income investments at December 31, 2022 and 83.3% of its investment portfolio able to be liquidated daily under normal market conditions. At December 31, 2022, the System had \$170 million in lines of credit of which \$160 million is drawn and outstanding.

Patient receivables increased \$17.2 million (+5.7%) reflecting the addition of MMC-Dickinson and MMC-River Region to the System and revenue cycle challenges related to the OneSystem EHR implementation that has caused delays in billing and collections.

Assets whose use is limited or restricted, current and long term, decreased \$13.3 million (-3.8%) due to declining market values of investments in donor and endowment funds and 457b deferred compensation participant accounts.

Medical claims payable increased \$15.7 million (+16.5%) due primarily to increased health plan membership and medical services utilization.

Accrued expenses increased \$63.3 million (+54.0%) mostly driven by the addition of MMC-Dickinson to the System in February 2022, reclassification of certain balances from Accounts Payable in 2022 and timing of paying OneSystem EHR software development costs.

Deferred revenue decreased \$58.5 million (-69.3%) due primarily to the decrease in outstanding CMS Advanced Payment Program ("APP") funds received during 2020 which the System began

repaying in April 2021. Through December 31, 2022, the System has repaid \$108.5 million in APP funds.

Long-term debt increased by \$120.0 million. This increase is due to the issuance of the 2022A Bonds, 2022G Bonds and the addition of MMC-Dickinson to the System, offset by regular principal payments on outstanding debt.

Other liabilities decreased \$17.0 million (-12.5%) primarily due to the reduction of 457b deferred compensation liabilities stemming from a decline in investment market values of related participant accounts.

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Indebtedness

The System has certain outstanding long-term indebtedness in the form of revenue bonds issued by the Wisconsin Health and Educational Facilities Authority on its behalf and revenue bonds issued by MCHS (collectively the “*Revenue Bonds*”). The Obligated Group’s obligation to pay debt service on the Revenue Bonds is secured by Master Notes issued under the Master Indenture.

At March 31, 2024, the aggregate principal amount of the Revenue Bonds outstanding was \$1.4 billion which consists of fixed rate bonds (70.9%), including a fixed rate private placement, and variable rate bonds (29.1%), including variable rate private placement, as shown in the following table, which excludes current portion. Upon the execution of the Plan of Finance described under the caption “PLAN OF FINANCE” in the forepart of this offering document, the System’s outstanding long-term indebtedness is expected to total \$1.5 billion, as follows:

TABLE A-11
Long-Term Indebtedness Secured by Master Notes
(dollars in thousands)

	Outstanding as of March 31, 2024	Pro Forma Outstanding as of March 31, 2024
Fixed rate revenue bonds	\$ 620,715	\$ 995,610
Fixed rate term bonds	132,745	65,300
Fixed rate private placement	100,048	-
Fixed rate taxable bonds and private placements	148,583	323,413
Variable rate private placement	41,245	-
Variable rate taxable bonds and private placements	170,000	-
Variable rate demand bonds	50,000	50,000
Variable rate R-floats	150,000	75,000
Total	\$ 1,413,336	\$ 1,509,323

As of the date of this offering document, the System has lines of credit from two banks under which it may borrow up to a total of \$70 million of which \$60 million is outstanding under these lines of credit. The lines of credit contain minimum debt service coverage covenants and are secured by Master Notes.

Investment Strategy

All System investments are governed by an Investment Policy Statement and overseen by the MCHS Finance Committee. The Investment Policy Statement sets out enterprise-wide asset allocation targets to ensure the investment portfolios have appropriate risk and return expectations to meet System objectives. The System's investment managers are instructed to align with board approved asset allocation targets and permitted investments. The System's investment portfolio asset allocation as of March 31, 2024, is 67.9% fixed income, 28.9% equities, 2.5% real estate and 0.7% private capital.

Capital Expenditures

Routine, information technology and strategic capital expenditures are reviewed and approved by the applicable entities' finance committee or board, as applicable, depending on the scale of the project. The System has constrained capital expenditures over the past couple of years to preserve liquidity. The System expects to continue to constrain capital in the next several years with total combined expenditures of less than \$200 million over the next three years.

The System expects to finance these capital expenditures with a combination of resources, which may include, philanthropy and cash. At this time, the System cannot predict the timing or funding sources of these capital expenditure. All significant capital expenditures are subject to board approval and other regulatory constraints.

Retirement Plans

The System provides salary deferral plans under Section 401(k) and 401(a) of the Code for employees, with ranging contributions. The System also provides deferred compensation under Section 457(f) of the Code for certain eligible employees with ranging contributions. The System also provides a nonqualified employee deferred compensation plan under Section 457(b) of the Code to certain eligible employees. Effective December 31, 2023, the System suspended its discretionary contribution for its 401(a) plan and effective January 1, 2024, the System suspended its discretionary contributions for the 401(k) and 457(f). As of the date of this offering document, the System has returned part of the contribution for the 401(k) starting in April 2024 on a prospective basis and expects to evaluate the return of these benefits prospectively over the remainder of 2024. Total expense was \$30.7 million and \$59.9 million in 2023 and 2022, respectively, related to these plans.

Other long-term liabilities and accrued liabilities include \$100.3 million and \$110.9 million at December 31, 2023 and 2022, respectively, relating to these plans. Assets designated to pay for these liabilities are reported as assets whose use is limited or restricted.

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APPENDIX B

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF MARSHFIELD CLINIC HEALTH
SYSTEM, INC. AND SUBSIDIARIES**

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Marshfield Clinic Health System, Inc.

Independent Auditor's Report, Consolidated Financial Statements, and Supplementary Information

December 31, 2023 and 2022



Marshfield Clinic Health System, Inc. and Subsidiaries
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December 31, 2023 and 2022

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Independent Auditor's Report

Board of Directors
Marshfield Clinic Health System, Inc.
Marshfield, Wisconsin

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Marshfield Clinic Health System, Inc. and Subsidiaries (System), which comprise the consolidated balance sheets as of December 31, 2023 and 2022, and the related consolidated statements of operations and changes in net assets without donor restrictions, changes in net assets, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the System as of December 31, 2023 and 2022, and the results of its operations, changes in net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the System and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the System's ability to continue as a going concern for one year after the date the consolidated financial statements are issued.

Auditor's Responsibilities for the Audit of the Consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not absolute assurance, and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the System's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the System's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The 2023 and 2022 consolidating supplementary information is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, results of operations, and cash flows of the individual companies, and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The consolidating information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements, or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects in relation to the 2023 and 2022 consolidated financial statements as a whole. The 2023 and 2022 unaudited Schedules of System Community Support information is presented for purposes of additional analysis and is not a required part of the basic consolidated financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, accordingly, we do not express an opinion or provide any assurance.

FORVIS, LLP

**Charleston, West Virginia
May 3, 2024**

Marshfield Clinic Health System, Inc.
Consolidated Balance Sheets
December 31, 2023 and 2022
(Dollars in thousands)

	2023	2022
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 106,600	\$ 136,329
Short-term investments	187,460	1,850
Current portion of assets whose use is limited or restricted		
Internally designated	7,408	45,846
Externally restricted	4,961	2,345
Patient receivables	258,599	321,340
Other receivables	127,361	118,331
Prepaid expenses and other	101,346	101,419
Total current assets	793,735	727,460
Assets Whose Use is Limited or Restricted, Net of Current Portion		
Internally designated	255,317	224,941
Externally restricted	75,011	66,931
Investments	716,326	825,483
Notes Receivable From and Investments In Affiliates	38,382	39,176
Property, Plant and Equipment, Net	1,207,336	1,241,157
Other Assets	11,525	16,862
Total assets	<u>\$ 3,097,632</u>	<u>\$ 3,142,010</u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Current portion of long-term debt	\$ 325,392	\$ 16,234
Medical claims payable	111,990	110,883
Accounts payable	73,953	97,219
Lines of credit	170,000	160,000
Accrued expenses	152,594	180,469
Deferred revenue	35,358	25,929
Total current liabilities	869,287	590,734
Long-Term Debt, Less Current Portion and Unamortized Discount and Premium	1,189,943	1,394,939
Other Liabilities	134,605	118,305
Total liabilities	2,193,835	2,103,978
Net Assets		
Without donor restrictions	837,996	991,825
With donor restrictions	65,801	46,207
Total net assets	903,797	1,038,032
Total liabilities and net assets	<u>\$ 3,097,632</u>	<u>\$ 3,142,010</u>

Marshfield Clinic Health System, Inc.**Consolidated Statements of Operations and Changes in Net Assets without Donor Restrictions**
Years Ended December 31, 2023 and 2022
(Dollars in thousands)

	2023	2022
Revenues		
Net medical services revenue	\$ 1,552,451	\$ 1,518,308
Premium revenue	1,418,265	1,298,926
Grants and contracts	52,691	79,459
Other	28,849	47,094
Total operating revenues	3,052,256	2,943,787
Operating Expenses		
Salaries, contract labor and benefits	1,299,768	1,379,068
Medical claims expense	797,821	696,965
Supplies	599,347	563,495
Purchased and professional services	223,252	219,177
Depreciation and amortization	117,001	110,723
Goodwill impairment	4,965	115,000
Interest	69,317	43,072
Facilities	64,210	65,899
Other operating expenses, net	127,326	118,260
Total operating expenses	3,303,007	3,311,659
Loss from operations	(250,751)	(367,872)
Inherent Contribution From Affiliation	-	18,251
Nonoperating Gains (Losses), Net	96,972	(128,260)
Excess of expenses over revenues	(153,779)	(477,881)
Other Changes in Net Assets Without Donor Restrictions, Net	(50)	4,446
Decrease in net assets without donor restrictions	(153,829)	(473,435)
Net Assets Without Donor Restrictions at Beginning of Year	991,825	1,465,260
Net Assets Without Donor Restrictions at End of Year	<u>\$ 837,996</u>	<u>\$ 991,825</u>

Marshfield Clinic Health System, Inc.
Consolidated Statements of Changes in Net Assets
Years Ended December 31, 2023 and 2022
(Dollars in thousands)

	2023	2022
Without Donor Restrictions		
Excess of expenses over revenues	\$ (153,779)	\$ (477,881)
Other changes in net assets without donor restrictions, net	(50)	4,446
Decrease in net assets without donor restrictions	(153,829)	(473,435)
With Donor Restrictions		
Contributions and investment return	22,802	10,399
Net change in unrealized gains and losses on restricted net assets	1,584	(6,128)
Net assets released from restrictions for property, plant and equipment	(303)	(2,633)
Net assets released from restrictions for operations	(4,489)	(5,679)
Increase (decrease) in net assets with donor restrictions	19,594	(4,041)
Decrease in net assets	(134,235)	(477,476)
Net Assets at Beginning of Year	1,038,032	1,515,508
Net Assets at End of Year	<u>\$ 903,797</u>	<u>\$ 1,038,032</u>

Marshfield Clinic Health System, Inc.
Consolidated Statements of Cash Flows
Years Ended December 31, 2023 and 2022
(Dollars in thousands)

	<u>2023</u>	<u>2022</u>
Operating Activities		
Decrease in net assets	\$ (134,235)	\$ (477,476)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Goodwill impairment	4,965	115,000
Gain on sale of property, plant and equipment	(2,464)	-
Inherent contribution from affiliation	-	(18,251)
Gain on extinguishment of long-term debt	-	(418)
Net realized and change in net unrealized (gains) and losses on investments	(62,449)	157,582
Loss from equity-basis investments	173	307
Depreciation and amortization	117,001	110,723
Changes in assets and liabilities		
Patient and other receivables	53,711	6,631
Prepaid expenses and other	445	(2,987)
Accounts payable and accrued expenses	(23,891)	(18,167)
Medical claims payable	1,107	15,706
Deferred revenue	9,429	(60,019)
Net cash used in operating activities	<u>(36,208)</u>	<u>(171,369)</u>
Investing Activities		
Purchases of property, plant and equipment	(103,564)	(192,570)
Proceeds from the sale of property, plant and equipment	11,898	-
Purchases and sales of assets whose use is limited, net	(35,856)	(13,593)
Change in note receivable and other noncurrent assets	621	541
Purchases and sales of investments, net	(14,659)	92,085
Cash and cash equivalents acquired in acquisition	-	13,435
Net cash used in investing activities	<u>(141,560)</u>	<u>(100,102)</u>
Financing Activities		
Proceeds from issuance of long-term debt	120,000	171,075
Payments on long-term debt	(15,316)	(64,354)
Payments for debt issuance costs	(522)	(1,908)
Draws on line of credit borrowing, net	10,000	160,000
Net cash provided by financing activities	<u>114,162</u>	<u>264,813</u>
Net decrease in cash, cash equivalents and restricted cash	(63,606)	(6,658)
Cash, Cash Equivalents and Restricted Cash		
Beginning of year	<u>190,842</u>	<u>197,500</u>
End of year	<u>\$ 127,236</u>	<u>\$ 190,842</u>
Supplementary Information		
Cash paid for interest, net of amounts capitalized	<u>\$ 62,682</u>	<u>\$ 45,308</u>

Marshfield Clinic Health System, Inc.
Notes to Consolidated Financial Statements
(dollars in thousands)
December 31, 2023 and 2022

Note 1. Organization

Marshfield Clinic Health System, Inc. (MCHS) and collectively with its subsidiaries (System) is a patient-focused and clinically-driven, integrated regional healthcare provider dedicated to a mission of enriching lives to create healthy communities through accessible, affordable and compassionate healthcare. The System provides services throughout central, northern and western Wisconsin and a portion of the Upper Peninsula of Michigan.

The System operates a comprehensive ambulatory care network, including Marshfield Clinic (MC), a multispecialty clinic serving Wisconsin for over one hundred years. The System also operates eleven acute care facilities and owns and operates Security Health Plan of Wisconsin, Inc. (Plan), a health plan providing coverage to over 227,000 members throughout the state of Wisconsin and the surrounding areas.

The consolidated financial statements include the accounts of MCHS and the following entities:

Marshfield Clinic, Inc. (MC), founded in 1916, is a not-for-profit group medical practice engaged in providing healthcare, healthcare education, medical research and community service. Marshfield Clinic Research Institute, a division of MC, engages in medical and scientific research and the promotion of public health, medical education and community service.

MCHS Hospitals, Inc. (MCHSH), incorporated in December 2015 as a nonprofit, nonstock corporation, which owns and operates the following acute care facilities in Wisconsin either directly or through wholly owned subsidiaries: Marshfield Medical Center (MMC), MMC-Rice Lake (through its subsidiary Lakeview Medical Center), MMC-Eau Claire, MMC-Ladysmith, MMC-Neillsville (through its subsidiary Memorial Hospital, Inc. (Neillsville)), MMC-Beaver Dam (through its subsidiary Beaver Dam Community Hospitals, Inc. (BDCH)), MMC-Minocqua (opened in June 2020), MMC-River Region at Stevens Point, (opened in May 2022), MMC-Weston (acquired in August 2020) and MMC-Park Falls). In February 2022, MCHSH became the sole corporate member of Dickinson County Healthcare System (MMC-Dickinson) through a member substitution (see Note 18 for transaction details).

The Plan, a nonstock, not-for-profit health maintenance organization established to provide prepaid medical care to individual and group subscribers. MCHS is the sole corporate member of the Plan. The Plan wholly owns Security Administrative Services, which provides third-party administrative services.

Family Health Center (FHC) operates community health centers to serve the medically underserved populations in central and northern Wisconsin. FHC, in partnership with MC, also operates ten dental and 3 alcohol and drug recovery practices to address dental and substance abuse access issues. MC is the sole corporate member of FHC; however, control does not rest with MC as the sole corporate member due to changes to the bylaws and articles of incorporation that removed certain rights typically attributed to sole corporate members. The basis of consolidation is related to contractual relationships between the two entities whereby MC has the ability to exercise significant influence and control over the operating and financial policies of FHC combined with economic interest in FHC. Subsequent to year-end, in January 2024, certain contractual relationships that resulted in MC's control over FHC's operating and financial policies ceased resulting in deconsolidation. The impact was a net asset transfer that reduced net assets without donor restrictions of approximately \$90,205 in January 2024. FHC's total assets are \$103,429 and \$106,255 as of December 31, 2023 and 2022, respectively, and its total revenues are \$47,827 and \$72,655 for the years ended December 31, 2023 and 2022, respectively, which are included in the accompanying consolidated financial statements.

Marshfield Clinic Health System Foundation, Inc. (MCHSF) was incorporated in May 2016 as a nonprofit, nonstock corporation to support the charitable, educational and scientific purposes of MCHS and its tax-exempt affiliates.

Marshfield Clinic Health System, Inc.
Notes to Consolidated Financial Statements
(dollars in thousands)
December 31, 2023 and 2022

On October 12, 2022, the System and Essentia Health (Essentia) entered into a non-binding memorandum of understanding (MOU) to evaluate the potential for the two organizations to combine to form an integrated regional health system. Then, on July 26, 2023, the System and Essentia executed a definitive agreement (Agreement) to combine the two organizations. The Agreement outlined the creation of a new company that would become the parent company of MCHS and Essentia. On January 5, 2024, the System and Essentia announced the two organizations have chosen not to move forward with their proposed integration.

Note 2. Summary of Significant Accounting Policies

Principles Of Consolidation

The accompanying consolidated financial statements include the accounts of MCHS and its controlled entities, (collectively, the System). All significant intercompany transactions and balances have been eliminated in consolidation.

Use Of Estimates

The presentation of consolidated financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and judgments that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash And Cash Equivalents

The System considers cash and cash equivalents to include those investments, other than assets whose use is limited or restricted, with original maturities of three months or less. Accounts at each institution are insured by the Federal Deposit Insurance Corporation up to \$250; cash deposits in excess of \$250 subject the System to concentration of credit risk.

Following is a reconciliation of cash, cash equivalents and restricted cash as presented in the accompanying consolidated statements of cash flows:

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 106,600	\$ 136,329
Restricted cash and cash equivalents held in assets whose use is limited	<u>20,636</u>	<u>54,513</u>
Total cash, cash equivalents and restricted cash shown in the accompanying consolidated statements of cash flows	<u><u>\$ 127,236</u></u>	<u><u>\$ 190,842</u></u>

Amounts included in restricted cash held in assets whose use is limited represent those held by trustees under debt agreements and for self-insurance, assets whose use is restricted by donors, assets held by the state for unemployment compensation and statutory purposes and assets set aside by the board of directors for underserved populations and deferred compensation over which the Board retains control and may, at its discretion, subsequently use for other purposes.

Marshfield Clinic Health System, Inc.
Notes to Consolidated Financial Statements
(dollars in thousands)
December 31, 2023 and 2022

Assets Whose Use Is Limited Or Restricted

Assets whose use is limited or restricted include assets held by trustees under debt agreements and for self-insurance, assets set aside by the board of directors for underserved populations and deferred compensation, assets whose use is restricted by donors and assets held by the state for unemployment compensation and statutory purposes.

Investments And Investment Return

Investments are stated at fair value. Investment return (including dividends, interest, realized gains and losses on sales of investments and changes in unrealized gains and losses on trading securities) is included in non-operating gains (losses), net in the consolidated statements of operations and changes in net assets without donor restrictions unless the income is restricted by the donor, in which case it is reflected directly in net assets with donor restrictions. Management considers all investments to be trading securities, except those carried at net asset value (NAV) and follow the equity basis of accounting, which approximates fair value.

The System's investments are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risk associated with certain investments and the level of uncertainty related to changes in the values of investments, it is at least reasonably possible that changes in risks in the near term would materially affect the amounts reported in the accompanying consolidated balance sheets and consolidated statements of operations and changes in net assets without donor restrictions.

The System maintains a diversified investment portfolio, taking into consideration the specific unique circumstances of each entity, such as size, liquidity needs and financial requirements. Diversifying assets include fixed-income securities, domestic and international equities and real estate. The overall objective of the investment program is to seek investment income and capital appreciation commensurate with an acceptable level of risk over a three-to five-year time period.

Patient Receivables

Patient accounts receivables are primarily paid by federal and state governmental authorities (under the Medicare and Medicaid programs), managed health plans, commercial insurance companies, workers' compensation programs, employers and patients. Patient receivables are reported at net realizable value. For accounts receivable associated with services provided to patients who have third-party coverage, the System estimates net realizable value and related explicit price concessions based on the estimated contractual reimbursement percentage, which in turn is based on current contract provisions and historical paid claims by payor. For self-pay accounts, including uninsured and patient responsibility accounts, the net realizable value is determined using historical collection experience, adjusted for estimated conversions of patient responsibility portions, expected recoveries and changes in trends to estimate implicit price concessions. The System does not believe there are any significant concentrations of revenues from any particular payor that would subject the System to any significant credit risks in the collection of patient accounts receivable. Management continually analyzes the estimated net realizable value of accounts receivable by monitoring cash collections, economic conditions and trends, changes in payor mix, changes in federal or state healthcare coverage and other matters. Changes in general economic conditions, patient accounting service center operations, payer mix, payer claim processing could affect our collection of accounts receivable, cash flows and results of operations.

The System performs periodic assessments to determine if an allowance for expected credit losses is necessary. The System considers its incurred loss experience and adjusts for known and expected events and other circumstances. In estimating its expected credit losses, the System may consider changes in the length of time its receivables have been outstanding, changes in credit ratings for payors, requests from payors to alter payment terms due to financial difficulty, and notices of payor bankruptcies or payors entering receivership. Because the System's accounts receivable is typically paid for by highly-solvent, creditworthy payors, such as Medicare, other

Marshfield Clinic Health System, Inc.
Notes to Consolidated Financial Statements
(dollars in thousands)
December 31, 2023 and 2022

governmental programs, and highly-regulated commercial insurers on behalf of the patient, the System's credit losses are immaterial to the consolidated financial statements.

Net Assets

The System prepares its consolidated financial statements to present net assets and revenues, expenses, gains and losses classified based on the existence or absence of donor-imposed restrictions.

Net assets without donor restrictions reflect those assets and activities not subject to donor-imposed stipulations.

Net assets with donor restrictions are those whose use by the System has been limited by donors to a specific time period or purpose and those that are required to be maintained in perpetuity.

Unconditional promises to give cash and other assets to the System are reported at fair value at the date the promise is received. Conditional promises to give and indications of intentions to give are reported at fair value at the date the gift is received. Gifts are reported as restricted if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions in the consolidated statements of operations and changes in net assets without donor restrictions. Donor restricted amounts whose restrictions are met in the same period in which they are received are accounted for in net assets without donor restrictions. In the absence of a donor specification that restricts income and gains on restricted gifts, such income and gains are reported as income classified as net assets without donor restrictions. In order to protect permanently restricted gifts from a loss of purchasing power, the System uses a spending rate policy to determine the portion of investment return that can be used to support operations of the current period.

The System reports gifts of equipment or other long-lived assets as assets without donor restrictions unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the System reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Property, Plant And Equipment

Property, plant and equipment are stated at cost or fair value at date of donation and are depreciated using the straight-line method over the estimated useful lives of depreciable assets. Buildings and equipment under finance leases are recorded at the net present value of minimum lease payments at lease inception. Amortization of buildings and equipment under capital lease is recorded over the shorter of the estimated useful life or the lease term and is included in depreciation and amortization expense. Expenditures for improvements that add significantly to the productive capacity or extend the useful life of the asset are capitalized. Interest costs incurred on borrowed funds during the period of construction of capital assets are capitalized as a component of the cost of acquiring those assets. Expenditures for maintenance and repairs are charged to expense as incurred.

The System periodically assesses the recoverability of long-lived assets when there are indications of potential impairment based on estimated undiscounted future cash flows. Management considers such factors as current results, trends and future prospects, in addition to other economic factors, in determining the impairment of an asset.

Debt Issuance Costs

Debt issuance costs are deferred and amortized over the life of the related obligation using the straight-line method, which approximates the effective interest method.

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Income Taxes

MCHS and its affiliates are not-for-profit corporations, as described in Section 501(c)(3) of the Internal Revenue Code (Code) (except the Plan, which is a not-for-profit corporation as described in Section 501(c)(4)) and are exempt from federal income taxes pursuant to Section 501(a) of the Code. These organizations are, however, subject to federal and state income taxes on any net unrelated business income under the provisions of Section 511 of the Code. The Plan is subject to the State of Wisconsin (State) franchise tax. MC, MCHS, MCHSH, MCHSF, MMC-Rice Lake, MMC-Beaver Dam, MMC-Neillsville, MMC-Park Falls and MMC-Dickinson received their IRS determination letters granting tax-exempt status on May 11, 1987, March 7, 2014, June 20, 2016, August 12, 2016, April 20, 1976, July 24, 1972, November 15, 1956, August 7, 1961, and December 21, 2021, respectively.

The System applies Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 740, *Income Taxes* (ASC 740), which clarifies the accounting for uncertainty in income taxes recognized in a company's financial statements. ASC 740 prescribes a more-likely-than-not recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken. Under ASC 740, tax positions will be evaluated for recognition, derecognition and measurement using consistent criteria and will provide more information about the uncertainty in income tax assets and liabilities. The System has determined that it doesn't have any material uncertain tax positions as of December 31, 2023 or 2022.

Grants And Contracts Revenue And Deferred Revenue

Grants and contracts revenue is recognized as revenue in the period in which the related cost is expended. Amounts received under these grants and contracts that have not yet been spent are recorded as deferred revenue. Other contract revenue is recognized as revenue in the period in which it is earned.

CARES Act Provider Relief Funding

The System has received provider relief funding under the federal Coronavirus Aid, Relief and Economic Security Act (CARES Act). These relief funds are considered non-exchange transactions subject to terms and conditions specified by the resource provider distributed by the Health Resources Service Administration (HRSA) section of the U.S. Department of Health and Human Services (HHS). These conditions create a restriction that such funds must be used to prevent, prepare or respond to the coronavirus (COVID 19), creating purpose restrictions in addition to conditions. This conditional grant revenue is recognized as other operating revenue to the extent conditions/restrictions for entitlement are met for coronavirus related expenses or lost revenues. The System reports conditional contributions for which the conditions and related restrictions are met in the same reporting period as net assets without donor restrictions. Such funds are subject to recoupment to the extent the conditions for entitlement are not met. See Note 19.

Other Operating Revenue

Other operating revenue includes income from investments in unconsolidated entities, rental income, pharmacy and ancillary sales, grant revenue, gains and losses from the sale of business units and services charged to unconsolidated entities as cost recoveries.

Premium Revenues

Premiums for health insurance coverage are due in advance of their respective coverage periods and are recognized as revenue in the period in which the Plan is obligated to provide services to members. Group contracts are generally written on an annual basis, subject to cancellation by the group or the Plan upon 60 days' written notice or by the Plan upon noncompliance of contract terms by the group. Individual contracts are on a monthly renewable basis subject to cancellation by the Plan upon 180 days' written notice. Medicare Advantage and Medicaid are annual contracts with the respective government agencies.

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The Plan has entered into an agreement with Medicare where the Plan is paid a capitated rate per member in exchange for covered services (Medicare managed care product). Covered members under the Medicare managed care product may utilize either System providers or non-System providers to receive care. Total premium revenue related to the Medicare managed care product was \$745,084 and \$687,602 in 2023 and 2022, respectively. The Medicare managed care product is subject to redetermination based upon the acuity of the members enrolled. Retroactive settlements related to this redetermination increased premium revenues by \$4,311 and \$1,542 in 2023 and 2022, respectively.

Additionally, the Plan issues individual and small group policies, which are subject to redetermination, as contemplated by the permanent risk adjustment provision of the Affordable Care Act (ACA). Changes in estimates related to ACA retroactive settlements increased premium revenue by \$8,371 and \$10,228 in 2023 and 2022, respectively.

Deferred premium revenues totaled \$26,320 and \$23,748 as of December 31, 2023 and 2022, respectively, and are included in deferred revenue in the accompanying consolidated balance sheets.

Medical Claims Expense

Medical claims expense includes the cost of healthcare services for fees charged by non-System physicians, hospitals and other providers for healthcare services provided to members of the Plan and FHC. Costs are accrued in the period in which the related medical services are provided to members, including an accrual for medical claims incurred but not reported to the Plan and FHC.

Revenues And Gains (Deficit) In Excess Of Expenses

The consolidated statements of operations and changes in net assets without donor restrictions include revenues and gains (deficit) in excess of expenses. Changes in net assets without donor restrictions that are excluded from revenues and gains (deficit) in excess of expenses include contributions for property, plant and equipment (including assets acquired using contributions that, by donor restrictions, were to be used for the purpose of acquiring such assets) and the recognition of current year change in unfunded benefit liabilities.

Nonoperating (Losses) Gains, Net

Transactions deemed by management to be ongoing or central to the provision of healthcare services are reported as revenues and expenses. Peripheral or incidental transactions, including investment activities, inherent contributions from affiliations, contributions to community initiatives and gains or losses from extinguishment of debt, are included in nonoperating (losses) gains, net.

Fair Value Measurements

The System applies the provisions of ASC Topic 820, *Fair Value Measurement* (ASC 820), for fair value measurements of financial assets and financial liabilities and for fair value measurements of nonfinancial items that are recognized or disclosed at fair value in the consolidated financial statements on a recurring basis. ASC 820 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. ASC 820 also establishes a framework for measuring fair value and expands disclosures about fair value measurements.

The System applies the provisions of ASC Subtopic 825-10, *Financial Instruments* (ASC 825-10), which gives the System the irrevocable option to report most financial assets and financial liabilities at fair value on an instrument-by-instrument basis, with changes in fair value reported in earnings. The System's management has not elected to measure any additional eligible financial assets or financial liabilities at fair value.

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In conjunction with the application of FASB ASC Topic 820, the System applies the measurement provisions related to certain investments in funds that do not have readily determinable fair values including private equity securities, senior bank loans, real estate limited partnerships and other equity securities. ASC Topic 820 allows the System to estimate the fair value of an investment using NAV per share of the investment as a practical expedient, if that NAV per share is determined in accordance with ASC Topic 946, *Financial Services-Investment Companies*. Investments in private equity securities, real estate limited partnerships, limited partnership bond funds, commingled bond funds and commingled equity funds with a fair value of \$356,638 and \$400,853 were estimated using NAV per share, as a practical expedient, provided by external investment managers as of December 31, 2023 and 2022, respectively.

Goodwill

Goodwill represents the excess of the aggregate purchase price over the fair value of the net assets acquired in a purchase business combination. Goodwill is not amortized but is reviewed for impairment at least annually in accordance with the provisions of the ASC Subtopic 350-10, *Intangibles – Goodwill and Other – Overall*. In addition to the annual impairment review, impairment reviews are performed whenever circumstances indicate a possible impairment may exist.

Goodwill of \$120,000 resulted from the acquisition of St. Joseph's Hospital (now called MMC) in June 2017. Due to the interdependency and relationships between MMC and other consolidated entities within MCHS, management has concluded that the consolidated entity is the proper reporting unit when evaluating goodwill for impairment. Impairments are calculated as the total by which the carrying amount of the asset exceeds its estimated fair value. Determining fair value is subjective in nature and involves the use of significant estimates and assumptions, including projected net cash flows, discount, and long-term growth rates as well as evaluation of relevant market transactions to the extent a market approach provides a more representative approximation of fair value.

MCHS, using the step zero approach, qualitatively assesses whether it is more likely than not that the reporting unit's fair value is greater than its carrying amount. Should this assessment not indicate it is more likely than not that the fair value is greater than the carrying amount, the step one impairment analysis would be performed.

Based upon the performed step zero assessment, management concluded a step one impairment analysis was needed to evaluate goodwill impairment on a quantitative basis. MCHS determined its fair value using a combination of an income approach and a market approach. Based on this analysis, MCHS concluded goodwill is impaired by approximately \$4,964 in 2023 and \$115,000 in 2022, which is recorded within goodwill impairment on the accompanying consolidated statements of operations and changes in net assets without donor restrictions. Goodwill of approximately zero and \$4,964 was recorded within long-term assets on the accompanying consolidated balance sheets as of December 31, 2023 and 2022, respectively.

Leases

At lease inception, the System determines whether an arrangement is or contains a lease. Operating leases are included in other assets, accounts payable (current portion of right-of-use (ROU) liability) and other liabilities (noncurrent portion of ROU liability) in the accompanying consolidated balance sheets. Finance leases are included in property and equipment, current portion of long-term debt and long-term debt in the accompanying consolidated balance sheets. ROU assets represent the System's right to use leased assets over the term of the lease. Lease liabilities represent the System's contractual obligation to make lease payments over the lease term.

For operating leases, ROU assets and lease liabilities are recognized at the commencement date. The lease liability is measured as the present value of the lease payments over the lease term. The System uses the rate implicit in the lease if it is determinable. When the rate implicit in the lease is not determinable, the System uses its incremental borrowing rate at the commencement date of the lease to determine the present value of the lease payments. Operating ROU assets are calculated as the present value of the lease payments plus initial direct costs and any prepayments less any lease incentives received. Lease terms may include renewal or extension options to the extent they are reasonably certain to be exercised. The assessment of whether renewal or extension options are

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reasonably certain to be exercised is made at lease commencement. Factors considered in determining whether an option is reasonably certain of exercise include, but are not limited to, the value of any leasehold improvements, the value of renewal rates compared to market rates and the presence of factors that would cause a significant economic penalty to the System if the option were not exercised. Lease expense is recognized on a straight-line basis over the lease term. The System has elected not to recognize a ROU asset and obligation for leases with an initial term of twelve months or less. The expense associated with short-term leases is included in lease expense in the accompanying consolidated statements of operations and changes in net assets without donor restrictions.

For finance leases, after lease commencement, the lease liability is measured on an amortized cost basis and increased to reflect interest on the liability and decreased to reflect the lease payment made during the period. Interest on the lease liability is determined each period during the lease term as the amount that results in a constant period discount rate on the remaining balance of the liability. The ROU asset is subsequently measured at cost, less any accumulated amortization and any accumulated impairment losses. Amortization on the ROU asset is recognized over the period from the commencement date to the earlier of (1) the end of the useful life of the ROU asset, or (2) the end of the lease term. The discount rate used by the System for finance leases is generally the incremental borrowing rate, as most such leases do not provide a readily determinable implicit interest rate. To the extent a lease arrangement includes both lease and non-lease components, the components are not accounted for separately.

New Accounting Pronouncement

Effective January 1, 2023, the System adopted ASU 2016-13, *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, as amended, which replaces the incurred loss with an expected loss methodology that is referred to as the current expected credit loss (CECL) methodology. The measurement of expected credit losses under CECL is applicable to financial assets measured at amortized cost, including loan receivables and held-to-maturity debt securities. It also applies to certain qualifying insurance receivables and reinsurance recoveries and receivables. This accounting pronouncement did not have a material impact on the consolidated financial statements.

Reclassifications

Certain 2022 footnote amounts have been reclassified to conform to the 2023 presentation. Such reclassifications did not impact previously reported revenues and gains (deficit) in excess of expenses or decrease in net assets. The reclassification provides additional detail on the nature of assets whose use is limited on the accompanying consolidated balance sheets and in Note 5.

Note 3. Net Medical Services Revenue

Net medical services revenue is reported at the amount that reflects the consideration to which the System expects to be entitled in exchange for providing patient care. These amounts are due from patients, third-party payors (managed care and government programs) and others and include variable consideration for retroactive revenue adjustments due to settlement of audits, reviews and investigations. Revenue is recognized as performance obligations are satisfied.

Performance obligations are determined based on the nature of the services provided. Revenue for performance obligations satisfied over time is recognized based on actual charges incurred in relation to total charges. Performance obligations satisfied over time relate to inpatient acute care services. Revenue for performance obligations satisfied at a point in time is recognized when goods or services are provided and the System does not believe it is required to provide additional goods or services to the patient. Because all of its performance obligations relate to contracts with a duration of less than one year, the System has elected to not disclose the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied or partially unsatisfied at

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the end of the reporting period. The unsatisfied or partially unsatisfied performance obligations referred to above are primarily related to inpatient acute care services at the end of the reporting period. Performance obligations for patients that are in-house at period end generally complete within days or possibly weeks of period end, therefore, are estimated on a pro-rata basis.

The System determines the transaction price based on standard charges for goods and services provided, reduced by contractual adjustments provided to third-party payors, discounts provided to uninsured patients in accordance with the System's policy and implicit price concessions provided to uninsured patients and patients with third-party payer arrangements that require a copayment or deductible. The System determines its estimates of explicit price concessions for contractual adjustments based on contractual agreements, or discount policies and historical experience. Estimated uncollectible amounts from patients are considered implicit price concessions and, therefore, included in net patient service revenues. The System determines its estimate of implicit price concessions based on its historical collection experience with this class of patients using a portfolio approach as a practical expedient to account for patient contracts as collective groups rather than individually. Management believes that the financial effects of using this practical expedient are not materially different from an individual contract approach.

Management has determined that the System has an unconditional right to payment only subject to the passage of time for services provided to date based on just the need to either finalize billing for such services (i.e., charge lag) or to discharge the patient and bill for such services for patients who are still receiving inpatient care in the System's facilities at the consolidated balance sheet date. Accordingly, the System accrues revenues and the related accounts receivables for services performed but not yet billed at the consolidated balance sheet date for in-house patients. Thus, management has determined that the System does not have any amounts that should be reflected separately as contract assets.

Patient accounts receivable are reduced for explicit price concessions and by an allowance for uncollectible accounts as an implicit price concession. In evaluating the collectability of patients' accounts receivable, the System analyzes its past history and contractual terms and identifies trends for each of its major payor sources of revenue. For receivables associated with patients who have third-party coverage, the System analyzes contractually due amounts and provides an additional implicit discount, if necessary (i.e., for expected uncollectible deductibles and co-payments on accounts for which the third-party payor has not yet paid or for payors who are known to be having financial difficulties that make the realization of amounts due unlikely). For receivables associated with self-pay patients (which includes both patients without insurance and patients with deductible and co-payment balances due for which third-party coverage exists for part of the bill), the System records an implicit discount in the period of service on the basis of its past experience, which indicates that many patients are unable or unwilling to pay the portion of their bill for which they are financially responsible. The difference between the standard rates (or the discounted rates if negotiated) and the amounts actually collected after all reasonable collection efforts have been exhausted is charged off against the allowance. The System's implicit allowance for self-pay patients was approximately 65% and 61% of self-pay accounts receivable as of December 31, 2023 and 2022, respectively.

Agreements with third-party payers typically provide for payments at amounts less than established charges, or fixed fee schedule. A summary of the payment arrangements with major third-party payers follows:

Medicare: Services rendered to Medicare beneficiaries are paid at prospectively determined rates per case. These rates vary according to a payment classification system that is based on clinical, diagnostic, inpatient status and other factors. Costs related to Medicare beneficiaries are paid based upon cost reimbursement methods, established fee screens, or a combination thereof. Physician services are paid based upon established fee schedules. Outpatient services, excluding Critical Access Hospitals (CAH), are paid using prospectively determined rates. MMC-Rice Lake, MMC, MMC-Eau Claire, MMC-Ladysmith, MMC-Neillsville, MMC-Beaver Dam, MMC-Minocqua, MMC-Weston, MMC-Park Falls, MMC-River Region at Stevens Point and MMC-Dickinson are reimbursed for cost reimbursement items at tentative rates with final settlement determined after submission of annual cost reports and audits thereof by the Medicare fiscal intermediary.

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Medicaid: Medicaid services, excluding CAH, Rural Health Centers (RHC) and FHC, primarily are reimbursed based upon prospectively determined rates for services rendered to Medicaid program beneficiaries. Reimbursement for CAH, RHC and FHC is received at tentative rates, with final settlement determined after submission of an annual cost report and approval by the Medicaid program.

The State of Wisconsin assesses a tax on certain healthcare services. Funds collected under the tax are used to increase federal funding for the Wisconsin Medicaid program. The System recognized \$45,034 and \$38,579 of additional Medicaid reimbursement and \$22,976 and \$19,969 of tax expense as a result of the law in 2023 and 2022, respectively. The additional Medicaid reimbursement and tax assessment expense are recorded in net medical services revenues and other expenses, respectively, in the accompanying consolidated statements of operations and changes in net assets without donor restrictions.

Other: Payment agreements with managed care payors provide for payment using prospectively determined rates per discharge, discounts from established charges and prospectively determined daily rates, shared savings, pay for performance, care management or medical home management per patient fees.

There are various other proposals at the federal and state levels that could, among other things, reduce reimbursement rates, or modify reimbursement methods, including Medicare and Medicaid. The ultimate outcome of these proposals and other market changes cannot presently be determined.

The percentage of net medical services revenue applicable to services provided to Medicare and Medicaid patients was approximately 44% and 41% in 2023 and 2022, respectively.

Settlements with third-party payers for retroactive adjustments due to audits, reviews or investigations are considered variable consideration and are included in the determination of the estimated transaction price for providing patient care. These settlements are estimated based on the terms of the payment agreement with the payer, correspondence from the payer and historical settlement activity, including an assessment to ensure that it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the retroactive adjustment is subsequently resolved. Estimated settlements are adjusted in future periods as adjustments become known (that is, new information becomes available), or as years are settled or are no longer subject to such audits, reviews and investigations. During 2023 and 2022, changes to prior year variable consideration resulted in an increase of net patient service revenue of \$4,712 and \$27,486, respectively, due to successful appeals, cost report settlements and other adjustments to prior years.

Laws and regulations concerning government programs, including Medicare and Medicaid, are complex and subject to interpretation. Compliance with such laws and regulations may also be subject to future government review and interpretation as well as significant regulatory action, including fines, penalties and potential exclusion from the related programs. There can be no assurance that regulatory authorities will not challenge the System's compliance with these laws and regulations and it is not possible to determine the impact (if any) such claims or penalties would have upon the System. In addition, contracts with commercial payers also provide for retroactive audit and review of claims.

On June 15, 2022, the Supreme Court ruled unanimously that the reduced rates the Centers for Medicare & Medicaid Services (CMS) was paying qualified hospitals for 340B-acquired drugs during calendar years 2018 through 2022 were unlawful, and a remedy was needed. All calendar year 2022 claims for 340B-acquired drugs paid on or after September 28, 2022 were paid at the re-established rates as CMS developed a remedy for claims prior to September 28, 2022. In preparing for the remedy, CMS determined that approximately \$10.6 billion was underpaid to 340B hospitals during this time.

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In the November 8, 2023 Federal Register, CMS issued its final rule and stated that the remaining \$9 billion would be paid to affected hospitals through a lump-sum payment. The System received approximately \$4,809 in January 2024. A receivable and related revenue of approximately \$4,809 was recognized as of December 31, 2023 and is included on the accompanying 2023 consolidated balance sheet in other receivables and in the accompanying 2023 consolidated statement of operations and changes in net assets without donor restrictions as part of net medical services revenue.

The System provides medical care to all patients regardless of their ability to pay. Charity care determinations are based on financial information provided by the patient and analysis of other relevant information. Because the System anticipates either no or nominal payment for these services, the System's established charges for medical care are not reported as revenues. Costs of providing medical services under the charity care program are estimated based on an allocation of the System's total costs as a percentage of gross charges by payor. The estimated cost of charity care was \$6,529 and \$11,243 in 2023 and 2022, respectively. In addition, the System incurred costs in excess of reimbursement received under public programs, research and educational activities and other community support of \$970,032 and \$595,073 in 2023 and 2022, respectively (unaudited).

Net medical services revenue, net of explicit and implicit allowances and discounts recognized in the years ended December 31, 2023 and 2022, by major payer is as follows:

	<u>2023</u>	<u>2022</u>
Medicare	\$ 531,008	\$ 483,839
Medicaid	148,195	138,907
Commercial, managed care and other	840,415	813,589
Self-pay	<u>32,833</u>	<u>81,973</u>
	<u>\$ 1,552,451</u>	<u>\$ 1,518,308</u>

The System grants credit without collateral to its patients, most of whom are residents in the communities that it serves and are insured under third-party payer agreements. The mix of net patient accounts receivable by major payer consists of the following in the years ended December 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Medicare	\$ 93,347	\$ 111,097
Medicaid	20,615	30,796
Commercial, managed care and other	115,365	128,646
Self-pay	<u>29,272</u>	<u>50,801</u>
	<u>\$ 258,599</u>	<u>\$ 321,340</u>

Note 4. Net Assets with Donor Restrictions

Net assets with donor restrictions have been restricted by donors for the following purposes in the years ended December 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Education and research	\$ 36,974	\$ 33,520
Patient care	27,738	11,503
Other	<u>1,089</u>	<u>1,184</u>
	<u>\$ 65,801</u>	<u>\$ 46,207</u>

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Note 5. Investments and Assets Whose Use Is Limited or Restricted

The following is a summary of fair value of investments and NAV for alternative investments and assets whose use is limited or restricted in the years ended December 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Cash, cash equivalents and money markets	\$ 120,755	\$ 55,255
U.S. Government obligations	96,274	88,653
Corporate bonds	105,857	107,671
Asset and mortgage-backed securities	85,211	73,866
Mutual funds	414,558	380,340
Common stocks	56,341	52,226
Derivative financial instrument	2,367	-
Other	8,481	8,532
Alternative investments measured at NAV		
Commingled bond funds	98,264	97,589
Commingled equity funds	172,530	217,115
Private equity securities	7,230	7,433
Real estate limited partnership	26,424	30,661
Limited partnership bond funds	<u>52,191</u>	<u>48,055</u>
Total	<u>\$ 1,246,483</u>	<u>\$ 1,167,396</u>

Other assets whose use is limited include pledge, trust and grant receivables, accrued investment income, equity securities and artifacts and memorabilia of historical significance and are carried at historical fair value at the date it was received.

Investment returns, as recognized in the years ended December 31, 2023 and 2022, consist of the following:

	<u>2023</u>	<u>2022</u>
Interest and dividends, net	\$ 35,198	\$ 21,768
Net realized gains on sale of investments	20,493	23,616
Net change in unrealized gains and losses	<u>41,956</u>	<u>(181,198)</u>
Total investment return (loss)	<u>\$ 97,647</u>	<u>\$ (135,814)</u>

Investment returns are included in the accompanying consolidated statements of operations and changes in net assets without donor restrictions and changes in net assets in the years ended December 31, 2023 and 2022.

	<u>2023</u>	<u>2022</u>
Investment returns included in		
Nonoperating gains (losses), net	\$ 98,529	\$ (131,755)
Changes in net assets with donor restrictions	<u>(882)</u>	<u>(4,059)</u>
	<u>\$ 97,647</u>	<u>\$ (135,814)</u>

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Assets whose use is limited or restricted are held for the following purposes in the years ended December 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Assets whose use is limited by external restrictions		
Bond indenture	\$ 1,840	\$ 1,529
Self-insurance	18,340	16,277
Specific purposes and endowment	55,103	46,764
Statutory purposes	<u>4,689</u>	<u>4,706</u>
Total assets whose use is limited by external restrictions	<u>79,972</u>	<u>67,276</u>
Assets whose use is limited by internal designations		
Underserved populations and other purposes	162,467	186,759
Deferred compensation	<u>100,258</u>	<u>84,028</u>
Total assets whose use is limited by internal designation	<u>262,725</u>	<u>270,787</u>
Total assets whose use is limited or restricted	342,697	340,063
Less current portion	<u>12,369</u>	<u>48,191</u>
Noncurrent assets whose use is limited or restricted	<u>\$ 330,328</u>	<u>\$ 291,872</u>

Note 6. Liquidity

Financial assets available for general expenditures within one year of the consolidated balance sheet date consist of the following:

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 106,600	\$ 136,329
Short-term investments	187,460	1,850
Patient receivables	258,599	321,340
Other receivables	<u>127,361</u>	<u>118,331</u>
	<u>\$ 680,020</u>	<u>\$ 577,850</u>

The System holds cash balances that are optimized around large and predictable cash flows. To efficiently manage liquidity and capital, the System continually determines the necessary amount of cash and cash equivalents to hold in cash and money market funds to meet operational needs and allocates the excess to a separate investment account that is expected to generate higher yielding returns while still maintaining a high degree of liquidity and a focus on capital preservation. The table above excludes noncurrent investments, which are classified as such as management does not intend to use them in the next year; however, they are sufficiently liquid that they would be available if needed, for current operations or to satisfy the working capital deficiency at December 31, 2023, in the amount of \$684,234 and \$792,038 as of December 31, 2023 and 2022, respectively. As an additional source of liquidity, lines of credit are also maintained and are used as needed for operational cash. See Notes 10 and 11 for additional discussion related to the current maturities of long-term debt and lines of credit and liquidity plans.

Note 7. Fair Value Measurements

The following discussion describes the valuation methodologies used for financial assets and liabilities measured at fair value. The techniques utilized in estimating the fair values are affected by the assumptions used.

The carrying amount reported in the consolidated balance sheets for the following approximates fair value because of the short maturities of these instruments: cash and cash equivalents, accounts receivable, accounts payable and accrued expenses.

Investments and assets whose use is limited or restricted are as follows:

- Money markets, U.S. Government obligations, corporate bonds, asset and mortgage-backed securities, bond and equity mutual funds, and common stock and other equity securities are based on valuations provided by external investment managers and the custodian banks.
- Mortgage-backed securities are comprised of widely traded tranches of principal and interest strips generally derived from underlying mortgages securitized by the Federal National Mortgage Association (FNMA), the Federal Home Loan Mortgage Corporation (FHLMC) and the Government National Mortgage Association (GNMA) in the form of collateralized mortgage obligations (CMOs) and real estate mortgage investment conduits (REMICs). Other asset-backed securities comprise principal and interest strips derived from underlying credit card receivables, home equity loans and automobile loans, securitized by major financial institutions and manufacturers.
- Commingled bond funds comprise domestic and foreign investment-grade and below-investment-grade public and private issue debt and debt-like securities. The investment strategy of the commingled bond funds is to achieve favorable income-oriented returns from diversified portfolios of domestic and foreign investment grade or below investment grade public and private issue debt and debt-like securities.
- Commingled equity funds are comprised of domestic and foreign common stocks, warrants, stock purchase rights, preferred stocks, real estate investment trusts, depository receipts, convertible debt securities and derivative instruments, such as forward contracts, futures, options and swaps. The investment strategy of the commingled equity funds is to seek investment results that achieve or exceed major market indices. Derivative instruments may be used in these funds in an attempt to hedge existing long positions in order to maximize returns and minimize risk.

Changes in market conditions and the economic environment may impact the net asset value of the funds and, consequently, the fair value of the System's interest in the commingled bond and equity funds and real estate limited partnership.

The fair value of the deferred compensation liability is based on the fair value of its underlying investments that are included in the investment values described above, as the deferred compensation liability is fully funded. The deferred compensation liability is included in other liabilities in the consolidated balance sheets.

As discussed in Note 2, the System applies the provisions of ASC 820, which establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements).

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The three levels of the fair value hierarchy are as follows:

- Level 1** Unadjusted quoted prices that are observable in active markets for identical assets or liabilities that the System has the ability to access at the measurement date.
- Level 2** Quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active or inputs other than quoted prices that are observable (either directly or indirectly) for substantially the full term of the asset or liability.
- Level 3** Significant unobservable prices or inputs (including the Company's own assumptions in determining the fair value of investments) where there is little or no market activity for the asset or liability at the measurement date.

The level in the fair value hierarchy within which a fair value measurement in its entirety falls is based on the lowest level input that is significant to the fair value measurement in its entirety. The following tables present assets and liabilities that are measured at fair value on a recurring basis:

	2023			
	Total	Level 1	Level 2	Level 3
Assets				
Cash and cash equivalents	\$ 106,600	\$ 106,600	\$ -	\$ -
Investments and assets whose use is limited or restricted, excluding pledge and grant receivables, accrued investment income and historical artifacts and memorabilia of \$8,481				
Cash, cash equivalents and money markets	120,755	\$ 120,755	\$ -	\$ -
U.S. Government obligations	96,274	-	96,274	-
Corporate bonds	105,857	-	105,857	-
Asset and mortgage-backed securities	85,211	-	85,211	-
Common stock	56,341	56,341	-	-
Mutual funds	414,558	414,558	-	-
Derivative financial instrument	2,367	-	2,367	-
Subtotal	881,363	\$ 591,654	\$ 289,709	\$ -
Investments measured at net asset value, not required, but included for reconciliation purposes	356,639			
Total investments and assets whose use is limited or restricted	1,246,483			
Total	\$ 1,353,083			

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	2022			
	Total	Level 1	Level 2	Level 3
Assets				
Cash and cash equivalents	\$ 136,329	\$ 136,329	\$ -	\$ -
Investments and assets whose use is limited or restricted, excluding pledge and grant receivables, accrued investment income and historical artifacts and memorabilia of \$8,532				
Cash, cash equivalents and money markets	55,255	\$ 55,255	\$ -	\$ -
U.S. Government obligations	88,653	-	88,653	-
Corporate bonds	107,671	-	107,671	-
Asset and mortgage-backed securities	73,866	-	73,866	-
Common stock	52,226	52,226	-	-
Mutual funds	380,340	380,340	-	-
Subtotal	758,011	\$ 487,821	\$ 270,190	\$ -
Investments measured at net asset value, not required, but included for reconciliation purposes	400,853			
Total investments and assets whose use is limited or restricted	1,167,396			
Total	\$ 1,303,725			

There were no transfers of assets into or out of Level 1, Level 2, or Level 3.

Investments measured at net asset value are as follows:

	2023 Net Asset Value	2022 Net Asset Value	Redemption Frequency	Redemption Notice Period
Commingled bond funds	\$ 98,264	\$ 97,589	Daily	3 days
Commingled equity funds	172,530	217,115	Daily	1-30 days
Private equity securities	7,230	7,433	N/A	N/A
Real estate limited partnership	26,424	30,661	Quarterly	45-60 days
Limited partnership bond funds	52,191	48,055	Quarterly	60 days
Investments measured at net asset value	\$ 356,639	\$ 400,853		

Private equity securities are based on valuations provided by external investment managers and the custodian banks.

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Real estate limited partnerships include a direct investment in partnerships that invest in global real estate. The net asset value of this investment has been estimated by the ownership interest in the partnership. The investment strategy of real estate limited partnerships involves the purchase, ownership, management, or sale of real estate assets. Real estate seeks to provide diversification and correlation benefits to the System portfolio while serving as a hedge against inflation.

There were unfunded commitments and recallable distributions of \$11,179 and \$12,161 as of December 31, 2023 and 2022, respectively, for investments measured at net asset value.

Note 8. Property, Plant and Equipment

A summary of property, plant and equipment is as follows:

	Estimated Useful Lives in Years	2023	2022
Land	-	\$ 60,765	\$ 60,217
Land and leasehold improvements	4 to 31	50,041	47,390
Buildings	10 to 40	1,312,307	1,199,783
Equipment	2 to 20	815,552	792,898
Construction in progress		<u>45,655</u>	<u>142,246</u>
		2,284,320	2,242,534
Less accumulated depreciation and amortization		<u>1,076,984</u>	<u>1,001,377</u>
Property, plant and equipment, net		<u>\$ 1,207,336</u>	<u>\$ 1,241,157</u>

Construction in progress at December 31, 2023 consists of various facility and software projects. Contractually committed costs for construction and software projects totaled \$33,396 at December 31, 2023.

Capitalized interest was \$1,084 and \$2,213 during 2023 and 2022, respectively. Capitalized labor related to software and construction projects was \$2,102 and \$4,851 during 2023 and 2022, respectively.

Note 9. Self-Insurance

Effective January 1, 1978, MC established the Marshfield Clinic Health Care Liability Insurance Plan (Insurance Plan) for the purpose of self-insuring a portion of its professional liability exposure for medical professional services. In December 2019, the MCHS Board approved replacing MC with MCHS as sponsor of the Plan effective November 1, 2019 and, accordingly, changed the Plan name to Marshfield Clinic Health System, Inc. Health Care Liability Self-Insurance Plan. MC remained grantor of the Marshfield Clinic Health Care Liability Insurance Plan Trust Fund (Fund). The MCHS Board also approved self-insuring a portion of medical facilities liability claims through the Insurance Plan, effective for exposures beginning November 1, 2019. Through the Insurance Plan, MCHS is self-insured for a certain amount per claim and an aggregate annual amount per healthcare provider employed by the System. Actuarially determined amounts are contributed to the Fund established to hold funds necessary to provide for the estimated cost of self-insured claims to meet State of Wisconsin requirements. MCHS' funding is at or above the 75% confidence level required by the Office of the Commissioner of Insurance of the

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State of Wisconsin (OCI). The current self-insured plan limits are \$1,000 per claim and \$3,000 per year, per medical care provider. Claims in excess of these limits are covered through MCHS' mandatory participation in the Wisconsin Injured Patients and Families Compensation Fund. Liability for medical facility services provided in the System's hospital settings prior to November 1, 2019, are commercially insured and have no deductible.

MC has recorded a liability for estimated losses on self-insured professional liability claims of \$12,533 and \$10,655 at December 31, 2023 and 2022, respectively, which is included in other liabilities in the accompanying consolidated balance sheets. The Fund has net assets available for claims, included in assets whose use is limited, of \$18,340 and \$16,277 at December 31, 2023 and 2022, respectively.

Note 10. Long-Term Debt

Long-term debt consists of the following:

	<u>2023</u>	<u>2022</u>
Wisconsin Health and Educational Facilities Authority (WHEFA) refunding revenue bonds, Series 2012A, privately placed on April 3, 2012, due from January 2023 through November 2024 at a fixed interest rate of 3.11%, as amended in October 2023. The effective interest rate was 2.90% and 2.75% for 2023 and 2022, respectively.	\$ 55,732	\$ 58,072
WHEFA Revenue Bonds, Series 2012B, issued by public offering on June 13, 2012, and partially redeemed on February 14, 2022, with proceeds of the Series 2022B bonds, due from February 2033 through February 2040 at coupon rates ranging from 4.50% to 5.00%, callable by borrower subject to bond indenture. The outstanding bonds were privately placed on February 15, 2022, with the addition of a variable interest rate swap. The effective interest rate was 3.67% and 2.29% for 2023 and 2022, respectively.	54,820	54,820
WHEFA Revenue Bonds, Series 2016A, issued by public offering on October 5, 2016, due from February 2023 through February 2046 at coupon rates ranging from 3.00% to 5.00%, callable by borrower subject to bond indenture; the effective interest rate was 4.03% and 4.01% for 2023 and 2022, respectively.	182,875	185,080
WHEFA Revenue Bonds, Series 2016B, issued by public offering on October 5, 2016, due from February 2023 through February 2037 at coupon rates ranging from 2.50% to 5.00%, callable by borrower subject to bond indenture; the effective interest rate was 2.93% and 2.86% for 2023 and 2022, respectively.	9,470	10,390
WHEFA Revenue Bonds, Series 2017B, issued by public offering on September 13, 2017, due February 2050 at a coupon rate of 4.00%, callable by borrower subject to bond indenture; the effective interest rate was 4.05% for 2023 and 2022.	27,630	27,630

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	<u>2023</u>	<u>2022</u>
WHEFA Revenue Bonds, Series 2017C, issued by public offering on September 13, 2017, due from February 2023 through February 2050 at coupon rates ranging from 3.00% to 5.00%, callable by borrower subject to bond indenture; the effective interest rate was 4.15% and 4.12% for 2023 and 2022.	\$ 275,345	\$ 278,330
WHEFA Revenue Bonds, Series 2018A, issued by public offering on September 26, 2018, due from February 2037 through February 2050 with interest determined daily at SIFMA Municipal Bond Index plus a rate spread; the effective interest rate was 3.38% and 1.66% for 2023 and 2022, respectively. The bonds are secured by a direct pay letter of credit from a bank, maturing in January 2026.	50,000	50,000
WHEFA Adjustable Rate Revenue Bonds, Series 2019A, privately placed on September 30, 2019, due February 2023 through November 2024 with a fixed interest rate of 2.14%, as amended.	46,390	47,990
WHEFA Revenue Bonds, Series 2020A, issued by public offering on June 30, 2020, due from February 2026 through February 2038 at coupon rates ranging from 3.00% to 5.00%, callable by borrower subject to bond indenture; the effective interest rate was 2.83% for 2023 and 2022. The bonds are insured.	75,000	75,000
WHEFA Revenue Bonds, Series 2020B-1, issued by public offering on June 30, 2020, due February 2051 and February 2052 at coupon rate of 5.00%, callable by borrower subject to bond indenture; the effective interest rate was 4.59% for 2023 and 2022	67,445	67,445
WHEFA Revenue Bonds, Series 2020B-2, issued by public offering on June 30, 2020, due from February 2038 through February 2051 at coupon rate of 5.00%, callable by borrower subject to bond indenture; the effective interest rate was 4.29% for 2023 and 2022.	65,300	65,300
WHEFA Revenue Bonds, Series 2020C, issued by public offering on June 30, 2020, due February 2052 and February 2053 with variable interest rates determined weekly via remarketing; the effective interest rate was 4.79% and 1.82% for 2023 and 2022, respectively.	75,000	75,000
Taxable Bonds, Series 2020, issued by public offering on June 30, 2020, due February 2030 at a fixed interest rate of 2.70%, callable by borrower subject to bond indenture. The bonds are insured.	148,583	148,583
WHEFA Revenue Bonds, Series 2022A, issued by public offering on February 15, 2022, due February 2026 through February 2053 with variable interest rates determined weekly via remarketing; the effective interest rate was 4.82% and 2.05% for 2023 and 2022, respectively.	75,000	75,000

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	<u>2023</u>	<u>2022</u>
WHEFA Revenue Refunding Bonds, Series 2022B, privately placed in February 2022, due November 2024, with a variable interest rate determined at SIFMA Municipal Bond Index plus a rate spread, as amended in August 2023. The effective interest rate was 4.75% and 1.86% for 2023 and 2022, respectively.	\$ 46,075	\$ 46,075
Taxable Bonds, Series 2022, privately placed in October 2022, due November 2024, as amended, with variable interest determined daily at SOFR plus a rate spread, callable by borrower subject to bond indenture. The effective interest rate was 6.76% and 5.50% for 2023 and 2022, respectively.	50,000	50,000
Taxable Bonds, Series 2023, privately placed in April 2023, due November 2024, as amended, with variable interest determined daily at SOFR plus a rate spread, callable by borrower subject to bond indenture. The effective interest rate was 7.38% for 2023.	120,000	-
Qualified Low-Income Community Investment Loans, issued in two tranches in February and September 2019, due in March 2049 and September 2049, with interest rates of 1.28% and 1.18%, respectively. The loans are subject to the terms of a New Market Tax Credit compliance agreement.	14,698	16,698
Qualified Low-Income Community Investment Loans, issued in December 2021, due in December 2051, with interest rates of 1.33%. The loans are subject to the terms of a New Market Tax Credit compliance agreement.	26,123	26,123
United States Department of Agriculture (USDA) Loans, issued in October 2021, due from January 2023 through August 2046 at a fixed interest rate of 2.13%, secured by assets and property of MMC-Dickinson	15,659	16,287
State of Michigan Hospital Revenue Bonds, Series 2004, due in January 2023 through March 2030 at a fixed interest rate of 6.41%.	1,904	2,148
Other loans and lease obligations	<u>610</u>	<u>786</u>
Total	1,483,659	1,376,757
Plus, unamortized premium and discount, net of unamortized issuance costs	31,676	34,416
Less current portion	<u>325,392</u>	<u>16,234</u>
Long-term debt, less current portion and unamortized discount and premium	<u>\$ 1,189,943</u>	<u>\$ 1,394,939</u>

In October 2023, the 2012A and 2019A bonds were amended to accelerate the maturity date to November 14, 2024; and, as such, has been classified as current in the accompanying consolidated balance sheet as of December 31, 2023.

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In April 2023, MCHS issued, by private placement, \$120,000 of variable rate taxable bonds, Series 2023 (Series 2023 Taxable Bonds). Interest is payable monthly commencing on May 1, 2023 at a rate based on SOFR plus an applicable interest rate spread. Proceeds of the bonds will be used for working capital and other financial needs. In October 2023, the maturity date of the Series 2023 Taxable Bonds was accelerated to November 14, 2024; and, as such, has been classified as current in the accompanying consolidated balance sheet as of December 31, 2023.

In October 2022, MCHS issued, by private placement, \$50,000 of variable rate taxable bonds, Series 2022 (Series 2022 Taxable Bonds). Proceeds of the bonds will be used for working capital and other financial needs. In October 2023, the maturity date of the Series 2023 Taxable Bonds was accelerated to November 14, 2024; and, as such, has been classified as current in the accompanying consolidated balance sheet as of December 31, 2023.

On May 4, 2022, MCHS entered into an interest rate basis swap agreement (Basis Swap Agreement) with a bank as counterparty in connection with certain debt. The Basis Swap Agreement has a notional value of \$50,000 with a termination date of May 4, 2042, with optional termination permitted by MCHS under certain specified terms. The Basis Swap requires the System to pay a variable rate based on SIFMA-Municipal Swap Index while receiving a variable interest rate based upon 80% of SOFR plus 0.46%.

In February 2022, MCHS issued, by public offering, \$75,000 of variable rate WHEFA Revenue Bonds, Series 2022A. Proceeds of the bonds were used to fund capital project costs. Also in February 2022, MCHS issued by private placement \$46,075 of WHEFA Revenue Refunding Bonds, Series 2022B, with a fixed rate of 1.79%, used to redeem and defease a portion of the Series 2012B bonds. In conjunction with the partial redemption, the remaining Series 2012B bonds were privately placed. The interest mode for the Series 2022B bonds was converted to variable rate in February 2023. In August 2023, the Series 2022B interest rate was amended to a variable rate determined at SIFMA Municipal Bond Index plus a rate spread. Additionally, the maturity date of the Series 2022B bonds was accelerated to November 14, 2024; and, as such, has been classified as current in the accompanying consolidated balance sheet as of December 31, 2023.

In connection with the private placement of the 2012B bonds in February 2022, the System entered into two interest rate swap agreements (Total Return Swap Agreements) with a bank as counterparty. The first agreement has a notional value of \$15,000 with a termination date of February 15, 2027. The first agreement requires the System to pay a variable rate of the greater of the SIFMA Municipal Swap Index or a spread based on credit agency rating of the System (3.72% at the date of the agreement) while receiving a fixed interest rate of 4.5%. The second agreement has a notional value of \$39,820 with a termination date of February 15, 2027. The second agreement requires the System to pay a variable rate of the greater of the SIFMA Municipal Swap Index or a spread based on credit agency rating of the System (3.72% at the date of the agreement) while receiving a fixed interest rate of 5%.

Under a Second Amended and Restated Master Trust Indenture (MTI), MCHS, MCHSF, MCHSH, MC, MMC-Rice Lake, MMC-Beaver Dam, MMC-Neillsville and MMC-Park Falls are members of the Obligated Group. Under the terms of the MTI, each member of the Obligated Group is jointly and severally liable for all obligations issued thereunder and must comply with certain financial and operating covenants including covenants with respect to the issuance of additional debt, maintaining debt service coverage and limitations on the creation of liens. The Series 2012A, 2012B, 2016A, 2016B, 2017B, 2017C, 2018A, 2019A, 2020A, 2020B-1, 2020B-2, 2020C, 2022A, 2022B bonds and the Series 2020, 2022 and 2023 Taxable Bonds are all secured by the MTI (MTI Debt). MTI Debt is secured by gross revenues of each member of the Obligated Group. Certain agreements entered into with banks in connection with the Series 2012A, 2012B, 2018A, 2019A, 2022B and Series 2022 and 2023 Taxable Bonds and the term bank loan contain additional financial and operating covenants applicable to each member of the Obligated Group.

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The System has incurred operating losses of \$250,271 and \$367,872 for the years ended December 31, 2023 and 2022, respectively. Consequently, for certain quarters beginning June 2022, as well as the years ended December 31, 2023 and 2022, the Obligated Group did not meet the minimum threshold of the maximum annual debt service coverage ratio (MADS Coverage Ratio) of 1.2x required under the bank agreements and 1.1x required under the MTI. Under the MTI, in any fiscal year, if the MADS Coverage Ratio falls below 1.1x, the Obligated Group is required to retain a consultant to make recommendations with respect to rates, fees, and charges of the Obligated Group's methods of operation and other factors affecting its financial condition. The Obligated Group retained the required consultant and completed the reports in accordance with the requirements of the MTI for the years ended December 31, 2023 and 2022. Management is evaluating and in process of implementing recommendations outlined in this report, as well as other initiatives, that include enhancing revenue cycle results and evaluating and reducing overall labor and non-labor related costs. Regarding the bank agreements, the System obtained various amendments beginning in August 2022 through April 2024 that waived the requirement under those agreements to measure the MADS Coverage Ratio from June 2022 through September 2024 for all debts whose maturity has been accelerated to August and November 2024 as discussed above. The 2018A letter of credit was amended to waive the requirement through March 31, 2025. Further, the amendments also removed certain provisions related to the proposed Essentia merger discussed in Note 1 which required certain thresholds that would result in certain collateralizations requirements if not met. Additionally, beginning in June 2023, the Obligated Group did not meet the debt to capitalization maximum threshold of 60% required by certain bank agreements for the quarter ended June 30, 2023. In July 2023, the System obtained amendments to waive the requirement to measure the debt to capitalization threshold from June 30, 2023 through December 31, 2023. Subsequent to year-end in April 2024, the System obtained amendments to waive the requirement to measure the debt to capitalization threshold through September 2024 for all debts whose maturity has been accelerated to August and November 2024 as discussed above. The 2018A letter of credit was amended to waive the requirement through March 31, 2025.

As discussed in Note 11, the lines of credit are also subject to the covenants discussed herein. Two lines of credit with two separate banks were repaid and terminated subsequent to year-end in March and April, respectively. The other two lines of credit, both with the same bank, were consolidated into one line of credit and its maturity extended to April 9, 2025. This line of credit was also amended to adjust the MADS Coverage Ratio from quarterly measurement on a rolling twelve-month basis to a quarterly measurement in 2024 beginning with one quarter at one-fourth of MADS greater than 1.65x, two quarters at one-half MADS greater than 1.50x, three quarters at three-fourths MADS greater than 1.35x and back to rolling twelve-month basis greater than 1.2x by December 31, 2024. Management is projecting the Obligated Group will meet this covenant; however, if the Obligated Group were unable to meet this covenant for any quarter through March 31, 2025, management would first attempt to negotiate waiver or other agreeable remedy, but if unsuccessful, has the intent and ability to repay this line of credit before allowing an event of default to occur.

In conjunction with the amendments executed during 2023, certain private placement bond series as noted above including Series 2012A, 2019A, 2022B, Taxable Bonds Series 2022 and 2023, maturity dates were accelerated to November 2024. Subsequent to year-end in April 2024, the Series 2012A and 2019A were further accelerated to August 1, 2024. As a result of these accelerations and other debt service requirements in 2024, approximately \$325,000 is classified as current in the accompanying consolidated balance sheet for the year-ended December 31, 2023. Subsequent to year-end, in March 2024, management obtained formal approval from the Board of Directors to pursue a plan of finance to potentially refund this debt. No assurance can be given as to the financial and operating results of MCHS for the fiscal quarter ending June 30, 2024, or for any future period, or that proposed plan of finance will be successful. All or part of the Series 2012B, 2016A, 2016B, 2017B, 2017C, 2020A, 2020B-1, 2020B-2, 2020C, 2022A, 2022B and Series 2020, 2022 and 2023 Taxable Bonds maturing on or after a certain date may be called by the borrower at par, plus accrued and unpaid interest, if any, to the date of the call.

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Scheduled principal payments on long-term debt outstanding at December 31, 2023, excluding unamortized premium, discount, and issuance costs, for the next five years and thereafter are as follows:

2024	\$	323,579
2025		6,891
2026		22,829
2027		10,485
2028		10,983
Thereafter		<u>1,108,892</u>
Total	\$	<u>1,483,659</u>

Note 11. Lines of Credit

The System has lines of credit from three banks under which it may borrow up to a total of \$180,000 as of December 31, 2023. The interest rate on each line of credit is based on the SOFR rate plus a rate spread. The lines of credit contain various covenants, including minimum debt service coverage, debt-to-capitalization levels and cash balances. There was \$170,000 and \$160,000 outstanding on the lines of credit as of December 31, 2023, and 2022, respectively.

Subsequent to year end on March 22, 2024 and April 9, 2024, two of the lines of credit in the amount of \$60,000 and \$50,000, respectively, were repaid in full and were not renewed. With the subsequent amendments and terminations, the lines of credit are no longer subject to minimum cash balances or debt-to-capitalization levels.

Subsequent to year-end, on April 9, 2024, one line of credit agreement was amended to extend the maturity date to April 9, 2025. The amendment also includes more restrictive covenants for minimum debt service coverage as discussed more fully in Note 10 and includes requirements for the System to continue its existing commercial banking relationship with this banking institution.

Note 12. Leases

The System leases certain equipment and office buildings under the terms of non-cancellable operating leases. For leases with terms greater than 12 months, the related right-of-use assets and right-of-use obligations are recorded at the present value of lease payments over the term. Many of the leases include rental escalation clauses and renewal options that are factored into the determination of lease payments when appropriate.

The components of lease expense were as follows for the years ended December 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Operating lease cost	\$ 2,632	\$ 2,969
Short-term lease cost	<u>584</u>	<u>822</u>
Total lease cost	<u>\$ 3,216</u>	<u>\$ 3,791</u>

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Supplemental cash flow information related to leases were as follows for the years ended December 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flows from operating leases	\$ <u>2,632</u>	\$ <u>2,969</u>

The following table presents lease-related assets and liabilities as of December 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Operating leases		
Operating lease right-of-use assets (other assets)	\$ 6,808	\$ 7,518
Current operating lease liabilities (accrued expenses)	\$ 1,985	\$ 2,439
Noncurrent lease liabilities (other liabilities)	<u>5,045</u>	<u>3,986</u>
Total operating lease liabilities	\$ <u>7,030</u>	\$ <u>6,425</u>
Other information		
Weighted-average remaining lease term – operating leases	7.06 years	7.04 years
Weighted-average discount rate – operating leases	1.83%	1.91%

The following is a schedule of operating lease liability maturities related to leases with third-parties for the years ending:

2024	\$ 1,946
2025	1,309
2026	1,069
2027	591
2028	426
Thereafter	<u>1,827</u>
Total	7,168
Less interest	<u>(138)</u>
Lease liability	\$ <u>7,030</u>

Note 13. Medical Claims

Total medical expenses include payments made to outside healthcare providers during the year and amounts payable at the end of the year for the Plan and FHC. The amount payable at the end of the year includes management's estimate of claims incurred but not reported based on actuarially developed estimates utilizing statistics developed from prior claim payment experience and other factors affecting future payments. To the extent that actual expenses received subsequent to the end of the prior year differ from the estimate, the difference is recorded in the year such claims are reported to the Plan and FHC.

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Claims and aggregate health claim reserve activity for the Plan and FHC as of December 31, 2023 and 2022 are as follows:

	<u>2023</u>	<u>2022</u>
Balance at beginning of year	\$ 110,883	\$ 95,177
Medical claims incurred, net, related to		
Current year	797,713	696,882
Prior year	<u>108</u>	<u>83</u>
Total medical claims incurred	797,821	696,965
Medical claims paid related to		
Current year	685,803	586,338
Prior year	<u>110,911</u>	<u>94,921</u>
Total medical claims paid	<u>796,714</u>	<u>681,259</u>
Balance at end of year	<u>\$ 111,990</u>	<u>\$ 110,883</u>

Included in medical claims payable and medical expense at December 31, 2023 and 2022 is \$84,550 and \$74,152, respectively, for estimates of costs of services provided through such dates but not reported to the Plan by the outside providers.

Management continually refines estimates of accruals and reserves throughout the year. These refinements are made as more and/or different facts and circumstances come to light and, accordingly, are made prospectively. Favorable development on prior year incurred medical claims reflects lower than anticipated medical claims expense. No return premiums have been accrued or are due as a result of the prior year effects.

Note 14. Retirement Plans

The System provides salary deferral plans under Section 401(k) and 401(a) of the Code for employees with various contribution levels. In 2023, the System suspended its discretionary contribution for its 401(a) plan. Subsequent to year-end, the System suspended its discretionary contributions for the 401(k) and 457(f). The System also provides deferred compensation under Section 457(f) of the Code for certain eligible employees with various contribution levels. The System also provides a nonqualified employee deferred compensation plan under Section 457(b) of the Code to certain eligible employees. Total expense is \$30,693 and \$59,857 in 2023 and 2022, respectively, related to these plans. Other long-term liabilities and accrued liabilities include \$100,288 and \$110,917 at December 31, 2023 and 2022, respectively, relating to these plans. Assets designated to pay for the liabilities related to the 457(b) and 457(f) plans are reported as assets whose use is limited or restricted.

MMC-Beaver Dam Defined Benefit Pension Plan

MMC-Beaver Dam has a noncontributory, defined benefit pension plan that covers substantially all employees who have attained age 21 and worked at least 1,000 hours in a 12-consecutive-month period that was frozen to new members and additional benefits as of January 1, 2013. On February 28, 2022, the Board of Directors adopted a resolution to terminate the MMC-Beaver Dam defined benefit pension plan and distribute the plan assets.

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During 2023, a total of \$7,004 was paid to participants who elected to receive lump sum distributions. As the total of these distributions exceeded the sum of the plan's regular ongoing service cost and interest cost, a settlement loss was recorded in the amount of \$1,756 as a component of net period pension cost. In January 2023, the System purchased annuities for approximately \$26,000 to settle all remaining liability related to the plan. As of December 31, 2023, there are no remaining assets or liabilities associated with the plan.

Information regarding the MMC-Beaver Dam defined benefit pension as of and for the year ended December 31, 2022 was as follows:

	<u>2022</u>
Actuarial present value of benefit obligations	
Accumulated benefit obligation	\$ 25,681
Change in projected benefit obligation	
Projected benefit obligation - beginning of	
Measurement period	42,800
Service cost	245
Interest cost	937
Settlement loss	523
Actuarial gain	(9,459)
Settlement payments	(7,004)
Benefits paid and expenses	<u>(2,361)</u>
Projected benefit obligation	25,681
Change in plan assets	
Fair value of plan assets beginning of measurement period	40,160
Actual return on plan assets	(9,692)
Employer contributions	2,785
Benefits paid	(2,203)
Settlement payments	(7,004)
Administrative expenses	<u>(158)</u>
Fair value of plan assets	<u>23,888</u>
Funded status	<u>\$ (1,793)</u>
Amounts recognized on the consolidated balance sheets	
consist of the following	
Other liabilities	<u>\$ (1,793)</u>
Amounts recognized in net assets without donor restrictions	
consist of the following	
Net actuarial loss	<u>\$ 6,439</u>

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The components of net periodic benefit cost and other amounts recognized in net assets without donor restrictions was as follows for the year ended December 31, 2022:

	<u>2022</u>
Net periodic pension (benefit) cost	
Service cost	\$ 245
Interest cost	937
Expected return on plan assets	(1,961)
Amortization of net loss	185
Settlement	<u>1,756</u>
Net periodic pension cost (benefit)	<u>1,162</u>
Other changes in plan assets and benefit obligations recognized in net assets without donor restrictions	
Net actuarial gain arising during the period	<u>776</u>
Total recognized in net periodic benefit cost gain and net assets without donor restrictions	<u>\$ 1,938</u>

The following weighted average assumptions were used to estimate the pension benefit obligation and interest cost as of and for the year ended December 31, 2022:

	<u>2022</u>
Discount rate (benefit obligation)	5.16%
Discount rate (interest cost)	2.25%
Rate of compensation increase	N/A
Assumed rate of return on plan assets	4.74%

To develop the expected long-term rate of return on assets assumption, MMC-Beaver Dam considered the historical returns and future expectations for returns in each asset class, as well as targeted asset allocation percentages within the pension portfolio. This resulted in the selection of 4.74% for 2022 long-term rate of return on assets assumption.

MMC-Beaver Dam's investment strategy is of a long-term nature and is intended to ensure that funds are available to pay benefits as they become due and to maximize the total return at an appropriate level of investment risk. The target asset allocation as of December 31, 2022 was 0% equity securities, 35% and 95% debt securities, and 5% and 5% other securities, respectively. The asset allocation is reviewed for compliance with the investment policy by the Retirement Plan Committee.

Following is a description of the valuation methodologies used for the defined benefit pension plan's assets measured at fair value.

Shares of mutual funds: Shares of mutual funds are reported at fair value based on the quoted market price of the fund, which represents the net asset value of the shares held by the Plan at year end.

Collective investment trust funds: Investments in collective investment trust funds are valued based upon information reported by the trust's sponsor representing the fair value of the trust's underlying investments at year end.

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The tables below present the balances of the defined benefit pension plan's assets measured at fair value on a recurring basis by level within the fair value hierarchy described in Note 7:

Asset Category	December 31, 2022			
	Total	Level 1	Level 2	Level 3
Money market	\$ 1,194	\$ 1,194	\$ -	\$ -
Collective investment trust funds:				
Equity funds	-	-	-	-
Fixed income funds	22,694	-	22,694	-
Total	<u>\$ 23,888</u>	<u>\$ 1,194</u>	<u>\$ 22,694</u>	<u>\$ -</u>

There were no contributions to the defined benefit pension plan during 2023.

MMC-Dickinson Defined Benefit Pension Plan

As discussed in Note 1 and in Note 18, MCHSH became the sole corporate member of MMC-Dickinson effective February 1, 2022. MMC-Dickinson is the administrator of a single-employer defined benefit noncontributory pension plan, which was established in 1965 (MMC-Dickinson Plan). Employees of MMC-Dickinson are eligible to participate in the MMC-Dickinson Plan following the completion of at least one year of service and a minimum of 1,000 hours. Participation in the MMC-Dickinson Plan has been frozen, and no new employees were eligible to participate in the MMC-Dickinson Plan after the freeze date, which is defined as February 10, 2018 for certain participants and January 27, 2018 for other participants.

Prior to its MMC-Dickinson's acquisition, effective December 31, 2021, the MMC-Dickinson Plan was amended to terminate effective January 31, 2022. The settlement of the MMC-Dickinson Plan was completed during 2022 with lump sum distributions of approximately \$22,456 and annuity contracts of \$31,246. A settlement gain of approximately \$4,949 was recorded upon termination within nonoperating (losses) gains, net in the accompanying consolidated statements of operations and changes in net assets without donor restrictions.

Information regarding the MMC-Dickinson defined benefit pension as of and for the post-acquisition eleven month period ended December 31, 2022 was as follows:

Change in projected benefit obligation	
Projected benefit obligation - beginning of	
Measurement period, February 1, 2022	\$ 66,945
Service cost	-
Interest cost	1,173
Actuarial gain	(11,291)
Settlement payments	(53,702)
Benefits paid and expenses	<u>(3,125)</u>
Projected benefit obligation	<u>-</u>
Change in plan assets	
Fair value of plan assets, February 1, 2022	38,381
Actual return on plan assets	(5,233)
Employer contributions	24,099
Benefits paid	(3,125)
Settlement payments	(53,702)
Administrative expenses	<u>(420)</u>
Fair value of plan assets	<u>-</u>
Funded status	<u>\$ -</u>

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The components of net periodic benefit cost and other amounts recognized in net assets without donor restrictions was as follows for the post acquisition eleven month period ended December 31, 2022:

Net periodic pension (benefit) cost	
Service cost	\$ -
Interest cost	1,173
Expected return on plan assets	(689)
Amortization of net loss	-
Settlement gain	<u>(4,949)</u>
Net periodic pension benefit	<u>\$ (4,465)</u>

The following weighted average assumptions were used to estimate the pension benefit obligation and interest cost as of February 1, 2022 and for the post acquisition eleven month period ended December 31, 2022:

Discount rate (benefit obligation)	2.30%
Discount rate (interest cost)	2.30%
Rate of compensation increase	N/A
Assumed rate of return on plan assets	2.40%

Note 15. Commitments and Contingencies

Regulatory Environment

The healthcare industry is subject to numerous laws and regulations of federal, state and local governments. These laws and regulations include matters such as reimbursement for patient services, Medicare and Medicaid fraud and abuse, accreditation, etc. Government activity concerning possible fraud and abuse issues involving healthcare providers has increased, violations of which could possibly result in penalties as well as significant repayments for patient services previously billed and received. Management believes that the System is in material compliance with fraud and abuse regulations as well as other applicable government laws. Additionally, various federal agencies routinely conduct regulatory investigations and compliance audits of health insurance providers. Management is currently unaware of any regulatory matters that may have a material adverse effect on the System's financial position or results of operations.

The Plan derives a significant portion of its revenue from employer groups and individual subscribers and other third-party payor programs. The receipt of revenues by the Plan is subject to, among other factors, federal and state policies affecting the healthcare industry, economic conditions that may include an inability to control expenses in periods of inflation, increased competition, market pressures on premium rates and other conditions that are impossible to predict.

The Plan participates in the Medicare Advantage Plan. Under this plan, Centers for Medicare and Medicaid Services (CMS) uses a risk adjustment model to pay for enrollees, allowing higher payments for those enrollees with higher costs. The Plan collects the necessary diagnosis codes from the hospital or physician provider and remits the data to CMS. CMS uses the data to compute the risk-adjusted premium to remit to the Plan. CMS continues to perform audits of select Medicare Advantage plans to validate the accuracy of the data utilized to determine risk-adjusted premiums.

Grants are generally conditional upon compliance with the terms and conditions and applicable federal and state regulations, including the expenditure of resources for allowable purposes. Laws and regulations governing grants are complex and subject to interpretation. These awards are subject to compliance audits. The ultimate outcome and potential disallowances or sanctions from such audits is unknown.

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Statutory Surplus Requirements

Under the regulations and statutes of the Wisconsin Office of the Commissioner of Insurance (OCI), the Plan is required to maintain surplus reserves, or total minimum net assets, determined as a percentage of subscriber premiums. The Plan is in compliance with its compulsory surplus requirement of \$47,025 and \$42,999 at December 31, 2023 and 2022, respectively. In accordance with OCI requirements, the Plan also has deposits with the State of Wisconsin of \$4,701 and \$4,706 at December 31, 2023 and 2022, respectively, included in assets whose use is limited or restricted in the consolidated balance sheets.

Litigation

The System is subject to various legal proceedings and claims that are incidental to its normal business activities. The amount of ultimate liability with respect to these actions is unknown. In the opinion of management, the ultimate outcome is not expected to have a material effect on the financial position of the System.

Contractual Commitments

The System has noncancelable agreements for certain services related to the ongoing maintenance and licensing of its health care information systems, which contain both fixed and variable components through April 2030.

The fixed components of these commitments for the next five years and thereafter are as follows:

2024	\$	28,096
2025		26,594
2026		25,877
2027		26,798
2028		27,832
Thereafter		<u>59,178</u>
Total	\$	<u>194,375</u>

Note 16. Functional Expense

MCHS provides general healthcare services to residents within its geographic service area. Expenses related to providing these services are as follows:

	Year Ended December 31, 2023				
	Healthcare Services	Health Plan	Administrative	Eliminations	2023
Expenses					
Salaries, contract labor and benefits	\$ 1,198,219	\$ 46,546	\$ 159,751	\$ (104,748)	\$ 1,299,768
Medical claims expense	2,623	1,304,680	-	(509,482)	797,821
Supplies	599,306	41	-	-	599,347
Purchased services	108,519	38,337	79,101	(2,705)	223,252
Depreciation and amortization	89,168	1,758	26,075	-	117,001
Goodwill impairment	4,965	-	-	-	4,965
Interest	60,827	-	12,330	(3,840)	69,317
Facilities	59,730	530	3,980	(30)	64,210
Other expenses	47,603	22,364	57,961	(602)	127,326
Shared services	<u>315,150</u>	<u>18,171</u>	<u>-</u>	<u>(333,321)</u>	<u>-</u>
Total expenses	<u>\$ 2,486,110</u>	<u>\$ 1,432,427</u>	<u>\$ 339,198</u>	<u>\$ (954,728)</u>	<u>\$ 3,303,007</u>

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	Year Ended December 31, 2022				
	Healthcare Services	Health Plan	Administrative	Eliminations	2022
Expenses					
Salaries, contract labor and benefits	\$ 1,278,700	\$ 43,508	\$ 151,388	\$ (94,528)	\$ 1,379,068
Medical claims expense	5,744	1,181,896	-	(490,675)	696,965
Supplies	563,206	289	-	-	563,495
Purchased services	116,763	33,130	74,062	(4,778)	219,177
Depreciation and amortization	84,259	2,082	24,382	-	110,723
Goodwill impairment	115,000	-	-	-	115,000
Interest	43,024	-	259	(211)	43,072
Facilities	61,370	640	4,913	(1,024)	65,899
Other expenses	41,694	20,793	57,007	(1,234)	118,260
Shared services	288,978	16,060	-	(305,038)	-
Total expenses	<u>\$ 2,598,738</u>	<u>\$ 1,298,398</u>	<u>\$ 312,011</u>	<u>\$ (897,488)</u>	<u>\$ 3,311,659</u>

Note 17. Endowments and Endowment Income

Interpretation Of Relevant Law Governing Endowments

The Uniform Prudent Management of Institutional Funds Act (UPMIFA), a Wisconsin statute, provides guidance on investment decisions and endowment expenditures. The guidelines require the establishment of a spending policy that constitutes prudent spending with preservation of the endowment.

The System classifies as net assets with donor restrictions the original value of gifts donated to the endowment, the original value of subsequent gifts to the endowment and accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument. Investment returns in excess of spending are classified as increases in net assets with donor restrictions until appropriated for expenditure by the System.

MCHSF's board of trustees has designated a portion of net assets without donor restrictions for specific purposes, which is classified as board-designated net assets without donor restrictions. MCHSF's board of trustees has also designated that certain net assets without donor restrictions of MCHSF be used to function as an endowment fund. If applicable, MCHSF transfers funds annually to the board-designated endowment fund based on specific board resolutions. MC's board of directors has also designated that certain net assets without donor restrictions to function as an endowment fund. The principal of the board-designated endowment fund is to remain intact unless two-thirds of MCHSF's board of trustees approves its use at two consecutive meetings and such action is confirmed by MCHS' board of directors. A portion of the interest and dividend income of the board-designated endowment fund will be available for general use. The remaining unused earnings are added to the principal of the board-designated endowment fund.

Endowment Policy

MCHSF has adopted an endowment policy that provides guidance on the investment and spending of endowment assets that attempts to provide a predictable stream of funding to programs supported by its endowments while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the organization must hold in perpetuity or for a donor-specified period(s) as well as quasi-endowment funds. Under this policy, as approved by MC and MCHSF's board of trustees, the endowment assets are invested in a manner that is intended to preserve the real value of the endowment corpus by achieving a growth rate on the principal amount of the endowment over a market cycle (3 to 5 years) of not less than the rate of inflation, as measured by the Consumer Price Index and to provide sufficient income to support the designated program or other beneficiary funds that are equivalent to the spending rate, as defined in their disbursement

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guidelines. Per their investment policy, MCHSF expects its endowment funds, over time, to provide an average 4% rate of return annually. Actual returns in any given year may vary from this target. To satisfy its long-term rate-of-return objectives, MCHSF relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). MCHSF targets a 70/30 asset allocation that places a greater emphasis on equity investments to achieve its long-term return objectives within prudent risk constraints.

The following table represents the endowment net assets composition by type of fund as of December 31, 2023:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Donor-restricted endowment funds	\$ -	\$ 28,926	\$ 28,926
Board designated endowment funds	73,715	-	73,715
Total funds	<u>\$ 73,715</u>	<u>\$ 28,926</u>	<u>\$ 102,641</u>

The following table represents the changes in endowment net assets for the year ended December 31, 2023:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ 67,485	\$ 26,285	\$ 93,770
Investment return			
Investment income	848	310	1,158
Net realized and unrealized gains	7,660	2,798	10,458
Total investment return	8,508	3,108	11,616
Appropriation of endowment assets for expenditure	(2,278)	(1,002)	(3,280)
Contributions	-	535	535
Endowment net assets, end of year	<u>\$ 73,715</u>	<u>\$ 28,926</u>	<u>\$ 102,641</u>

The following table represents the endowment net assets composition by type of fund as of December 31, 2022:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Donor-restricted endowment funds	\$ -	\$ 26,285	\$ 26,285
Board designated endowment funds	67,485	-	67,485
Total funds	<u>\$ 67,485</u>	<u>\$ 26,285</u>	<u>\$ 93,770</u>

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The following table represents the changes in endowment net assets for the year ended December 31, 2022:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ 80,618	\$ 29,422	\$ 110,040
Investment return:			
Investment income	725	253	978
Net realized and unrealized gains	(11,970)	(4,172)	(16,142)
Total investment return	(11,245)	(3,919)	(15,164)
Appropriation of endowment assets for expenditure	(2,238)	(978)	(3,216)
Board-designated funds	350	-	350
Contributions	-	1,760	1,760
Endowment net assets, end of year	\$ 67,485	\$ 26,285	\$ 93,770

Note 18. Business Combination

Effective February 1, 2022, Dickinson County Healthcare System (DCHS), located in Iron Mountain, Michigan, joined the System with the closing of an affiliation agreement. MCHSH became the sole member of DCHS through a member substitution. In connection with the affiliation, the System committed to fund strategic capital needs of not less than \$26,500 over a five-year period following the close of the transaction. The acquisition was consummated to enhance System market share and expected synergies and economies of scale for the growth of the System.

The following table summarizes the fair value of the assets acquired and liabilities assumed as of the date of acquisition:

	February 1, 2022
Assets	
Cash and cash equivalents	\$ 13,435
Current portion of assets whose use is limited or restricted	57
Patient receivables	23,324
Other receivables	4,573
Prepaid expenses and other	4,811
Assets whose use is limited or restricted	520
Notes receivable from and investments in affiliates	805
Property and equipment	38,705
Other assets	693
Total assets	\$ 86,923

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	February 1, 2022
Liabilities	
Current portion of long-term debt	\$ 998
Accounts payable	4,392
Accrued expenses	16,483
Deferred revenue	1,545
Long-term debt, less current portion	15,899
Other liabilities	<u>29,355</u>
Total liabilities	<u>\$ 68,672</u>
Net assets without donor restrictions	<u>\$ 18,251</u>
Net assets acquired over liabilities assumed	<u>\$ 18,251</u>

The results of operations for MMC-Dickinson are included in the consolidated statements of operations and changes in net assets without donor restrictions beginning February 1, 2022.

Note 19. COVID-19

In response to the COVID-19 pandemic, the Coronavirus Aid, Relief and Economic Security Act (CARES Act) was signed into law on March 27, 2020. One provision of the CARES Act was the establishment of the Provider Relief Funds, administered by the U.S. Department of Health and Human Services (HHS). The Provider Relief Funds have been distributed to healthcare providers throughout the country to support the battle against the COVID-19 pandemic. HHS has issued Post-Payment Notices of Reporting Requirements (PPNRR) and frequently asked questions and answers (FAQs), which establish the reporting criteria for providers who received Provider Relief Fund (PRF) funding under the CARES Act. The PPNRR and FAQs also provide guidance related to the determination of lost revenues and COVID-19 related expenses under the terms and conditions of the PRF funding received by the System. This guidance is advisory in nature and subject to change, and it is unknown at the report date what impact future guidance will have on PRF funding and revenue recognition. During the years ended December 31, 2023 and 2022, the System received zero funds and approximately \$3,611, respectively, in general and targeted distributions and other COVID-19 related grant funding. These funds are intended to reimburse qualifying expenses and lost revenues attributable to COVID-19 and are subject to the terms, conditions and regulatory requirements set forth by HHS. The Provider Relief Funds and other COVID-19 grant funds received are accounted for as conditional contributions and related revenues are recognized as conditions are substantially met. During the years ended December 31, 2023 and 2022, the System recognized zero and approximately \$7,533, respectively, in operating revenues, which is presented within grants and contracts in the accompanying consolidated statements of operations and changes in net assets without donor restrictions. The amounts recognized as income are subject to future audits and potential adjustments, which could be material and certain amounts may be required to be repaid to the government.

In 2020, the Center for Medicare and Medicaid Services (CMS) enhanced the Accelerated and Advance Payment (AAP) Program. The program enhancement was designed to increase cash flow to Medicare providers and suppliers impacted by COVID-19. In April 2020, the System received approximately \$113,625 from the CMS AAP program, of which \$5,300 was returned in August 2020 prior to CMS extending the repayment deadline to April 2021. The funds received from the AAP were an advance that providers must pay back. These funds were used to offset actual Medicare claims subject to final determination by CMS.

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On September 30, 2020, the Continuing Appropriations Act (CAA) was signed into law, which includes provision to relax the recoupment of Medicare Advance Payments, including delaying recoupment for one year from when the advances were made. It also staggered the percentage of claims processed that will be recouped over a twenty-nine-month period. During the year ended December 31, 2022, the remaining \$54,850 was recouped by Medicare.

The CARES Act also provides for a deferral of payments of the employer portion of payroll tax incurred during the pandemic, allowing half of such payroll taxes be deferred until December 2021 and the remaining half until December 2022. As of December 31, 2022, no deferred payroll tax liability remained.

Further, the CARES Act provides for an employee retention credit (ERC) against applicable employment taxes for eligible employers, including tax-exempt organizations, that pay qualified wages, including certain health plan expenses, to some or all employees after March 12, 2020 and before January 1, 2021. This provision of the CARES Act was further amended by the CAA to extend the application of the ERC to qualified wages paid after December 31, 2020 and before September 30, 2021, which also included certain modifications of the calculation of the credit amount during that time. The System recorded a credit of \$4,457 within other receivables in the accompanying consolidated balance sheets as of December 31, 2022. The full amount of the credit was utilized in 2023 and no remaining receivable is recorded in the accompanying consolidated balance sheets as of December 31, 2023.

Note 20. Subsequent Events

The System has evaluated subsequent events from the consolidated balance sheet date through May 3, 2024, the date at which the consolidated financial statements were issued. As discussed in Notes 1, 10 and 11, subsequent to year-end, FHC was deconsolidated in January 2024 due to termination of certain contractual relationships that resulted in MC no longer having control over FHC; the System and Essentia announced the two organizations have chosen not to move forward with their proposed integration; and the System obtained waivers related to debt covenant violations, repaid and terminated certain lines of credit and extended the maturity of others.

Supplementary Information

Marshfield Clinic Health System, Inc.
Consolidating Balance Sheet Information
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	Obligated Group	Security Health Plan	MMC Dickinson	Eliminations and other	Total
ASSETS					
Current Assets					
Cash and cash equivalents	\$ 20,086	\$ 63,443	\$ 9,153	\$ 13,918	\$ 106,600
Short-term investments	154,312	33,148	-	-	187,460
Current portion of assets whose use is limited or restricted					
Internally designated	-	-	-	7,408	7,408
Externally restricted	4,929	-	32	-	4,961
Patient receivables	270,627	-	19,266	(31,294)	258,599
Other receivables	119,459	85,506	(17,161)	(60,443)	127,361
Prepaid expenses and other	88,914	3,695	6,515	2,222	101,346
Total current assets	658,327	185,792	17,805	(68,189)	793,735
Assets Whose Use is Limited or Restricted, Net of Current Portion					
Internally designated	197,889	-	-	57,428	255,317
Externally restricted	69,362	4,689	960	-	75,011
Investments	498,933	217,393	-	-	716,326
Notes Receivable From and Investments in Affiliates	342,233	-	899	(304,750)	38,382
Property, Plant and Equipment, Net	1,113,005	9,807	40,834	43,690	1,207,336
Other Assets	3,928	2,568	3,739	1,290	11,525
Total assets	<u>\$ 2,883,677</u>	<u>\$ 420,249</u>	<u>\$ 64,237</u>	<u>\$ (270,531)</u>	<u>\$ 3,097,632</u>
LIABILITIES AND NET ASSETS					
Current Liabilities					
Current portion of long-term debt	\$ 324,583	\$ -	\$ 809	\$ -	\$ 325,392
Medical claims payable	21,076	174,393	-	(83,479)	111,990
Accounts payable	65,930	1,824	5,602	597	73,953
Lines of credit	170,000	-	-	-	170,000
Accrued expenses	94,050	50,935	3,749	3,860	152,594
Deferred revenue	731	26,320	857	7,450	35,358
Total current liabilities	676,370	253,472	11,017	(71,572)	869,287
Long-Term Debt, Less Current Portion and Unamortized Discount and Premium					
Other Liabilities	1,172,291	-	41,352	(23,700)	1,189,943
	131,289	565	1,656	1,095	134,605
Total liabilities	1,979,950	254,037	54,025	(94,177)	2,193,835
Net Assets					
Without donor restrictions	837,935	166,212	10,203	(176,354)	837,996
With donor restrictions	65,792	-	9	-	65,801
Total net assets	903,727	166,212	10,212	(176,354)	903,797
Total liabilities and net assets	<u>\$ 2,883,677</u>	<u>\$ 420,249</u>	<u>\$ 64,237</u>	<u>\$ (270,531)</u>	<u>\$ 3,097,632</u>

Marshfield Clinic Health System, Inc.
Consolidating Balance Sheet Information
December 31, 2022
(Dollars in thousands)

	Obligated Group	Security Health Plan	MMC Dickinson	Eliminations and other	Total
ASSETS					
Current Assets					
Cash and cash equivalents	\$ 25,498	\$ 85,809	\$ 12,777	\$ 12,245	\$ 136,329
Short-term investments	743	1,107	-	-	1,850
Current portion of assets whose use is limited or restricted					
Internally designated	28,307	-	-	17,539	45,846
Externally restricted	2,308	-	37	-	2,345
Patient receivables	330,762	-	19,731	(29,153)	321,340
Other receivables	132,780	46,696	1,853	(62,998)	118,331
Prepaid expenses and other	89,743	4,856	5,443	1,377	101,419
Total current assets	610,141	138,468	39,841	(60,990)	727,460
Assets Whose Use is Limited or Restricted, Net of Current Portion					
Internally designated	170,845	-	-	54,096	224,941
Externally restricted	61,705	4,706	520	-	66,931
Investments	592,466	233,017	-	-	825,483
Notes Receivable From and Investments in Affiliates					
	337,984	-	883	(299,691)	39,176
Property, Plant and Equipment, Net	1,150,752	10,860	36,733	42,812	1,241,157
Other Assets	9,798	2,704	2,938	1,422	16,862
Total assets	<u>\$ 2,933,691</u>	<u>\$ 389,755</u>	<u>\$ 80,915</u>	<u>\$ (262,351)</u>	<u>\$ 3,142,010</u>
LIABILITIES AND NET ASSETS					
Current Liabilities					
Current portion of long-term debt	\$ 15,432	\$ -	\$ 802	\$ -	\$ 16,234
Medical claims payable	19,761	170,605	-	(79,483)	110,883
Accounts payable	84,954	5,440	6,370	455	97,219
Lines of credit	160,000	-	-	-	160,000
Accrued expenses	121,420	43,032	7,107	8,910	180,469
Deferred revenue	1,870	23,748	101	210	25,929
Total current liabilities	403,437	242,825	14,380	(69,908)	590,734
Long-Term Debt, Less Current Portion and Unamortized Discount and Premium					
	1,376,262	-	42,377	(23,700)	1,394,939
Other Liabilities	116,080	580	395	1,250	118,305
Total liabilities	1,895,779	243,405	57,152	(92,358)	2,103,978
Net Assets					
Without donor restrictions	991,705	146,350	23,763	(169,993)	991,825
With donor restrictions	46,207	-	-	-	46,207
Total net assets	1,037,912	146,350	23,763	(169,993)	1,038,032
Total liabilities and net assets	<u>\$ 2,933,691</u>	<u>\$ 389,755</u>	<u>\$ 80,915</u>	<u>\$ (262,351)</u>	<u>\$ 3,142,010</u>

Marshfield Clinic Health System, Inc.
Consolidating Statement of Operations and Changes in Net Assets Without Donor Restrictions Information
Year Ended December 31, 2023
(Dollars in thousands)

	Obligated Group	Security Health Plan	MMC Dickinson	Eliminations and other	Total
Revenues					
Net medical services revenue	\$ 1,504,606	\$ -	\$ 136,201	\$ (88,356)	\$ 1,552,451
Premium revenue	590,666	1,421,268	-	(593,669)	1,418,265
Grants and contracts	40,502	-	283	11,906	52,691
Other	23,422	7,888	1,687	(4,148)	28,849
Total operating revenues	2,159,196	1,429,156	138,171	(674,267)	3,052,256
Operating Expenses					
Salaries, contract labor and benefits	1,153,496	46,546	67,845	31,881	1,299,768
Medical claims expense	188,414	1,304,680	-	(695,273)	797,821
Supplies	561,820	41	33,540	3,946	599,347
Purchased and professional services	159,120	38,337	21,708	4,087	223,252
Depreciation and amortization	108,966	1,758	4,066	2,211	117,001
Goodwill impairment	4,965	-	-	-	4,965
Interest	71,154	-	2,002	(3,839)	69,317
Facilities	58,071	530	3,707	1,902	64,210
Other operating expenses, net	99,391	22,364	4,934	637	127,326
Shared services	(18,511)	18,171	340	-	-
Total operating expenses	2,386,886	1,432,427	138,142	(654,448)	3,303,007
(Loss) income from operations	(227,690)	(3,271)	29	(19,819)	(250,751)
Nonoperating Gains (Losses), Net	73,920	23,133	115	(196)	96,972
Revenues and (deficit) gains in excess of expenses	(153,770)	19,862	144	(20,015)	(153,779)
Other Changes in Net Assets Without Donor Restrictions, Net	-	-	(13,704)	13,654	(50)
(Decrease) increase in net assets without donor restrictions	(153,770)	19,862	(13,560)	(6,361)	(153,829)
Net Assets Without Donor Restrictions at Beginning of Year	991,705	146,350	23,763	(169,993)	991,825
Net Assets Without Donor Restrictions at End of Year	<u>\$ 837,935</u>	<u>\$ 166,212</u>	<u>\$ 10,203</u>	<u>\$ (176,354)</u>	<u>\$ 837,996</u>

Marshfield Clinic Health System, Inc.
Consolidating Statement of Operations and Changes in Net Assets Without Donor Restrictions Information
Year Ended December 31, 2022
(Dollars in thousands)

	Obligated Group	Security Health Plan	MMC Dickinson	Eliminations and other	Total
Revenues					
Net medical services revenue	\$ 1,468,294	\$ -	\$ 104,877	\$ (54,863)	\$ 1,518,308
Premium revenue	522,914	1,298,673	-	(522,661)	1,298,926
Grants and contracts	63,325	-	568	15,566	79,459
Other	60,210	7,942	13,313	(34,371)	47,094
Total operating revenues	<u>2,114,743</u>	<u>1,306,615</u>	<u>118,758</u>	<u>(596,329)</u>	<u>2,943,787</u>
Operating Expenses					
Salaries, contract labor and benefits	1,245,605	43,508	55,857	34,098	1,379,068
Medical claims expense	173,039	1,181,896	-	(657,970)	696,965
Supplies	532,477	289	26,173	4,556	563,495
Purchased and professional services	157,318	33,130	25,835	2,894	219,177
Depreciation and amortization	101,173	2,082	5,311	2,157	110,723
Goodwill impairment	115,000	-	-	-	115,000
Interest	42,375	-	678	19	43,072
Facilities	61,220	640	2,185	1,854	65,899
Other operating expenses, net	95,504	20,793	2,549	(586)	118,260
Shared Services	(16,173)	16,060	-	113	-
Total operating expenses	<u>2,507,538</u>	<u>1,298,398</u>	<u>118,588</u>	<u>(612,865)</u>	<u>3,311,659</u>
(Loss) income from operations	(392,795)	8,217	170	16,536	(367,872)
Inherent Contributions From Affiliations	18,251	-	-	-	18,251
Nonoperating (Losses) Gains, Net	<u>(103,268)</u>	<u>(27,626)</u>	<u>4,706</u>	<u>(2,072)</u>	<u>(128,260)</u>
Revenues and (deficit) gains in excess of expenses	(477,812)	(19,409)	4,876	14,464	(477,881)
Other Changes in Net Assets Without Donor Restrictions, Net	<u>3,817</u>	<u>-</u>	<u>18,887</u>	<u>(18,258)</u>	<u>4,446</u>
(Decrease) increase in net assets without donor restrictions	(473,995)	(19,409)	23,763	(3,794)	(473,435)
Net Assets Without Donor Restrictions at Beginning of Year	<u>1,465,700</u>	<u>165,759</u>	<u>-</u>	<u>(166,199)</u>	<u>1,465,260</u>
Net Assets Without Donor Restrictions at End of Year	<u>\$ 991,705</u>	<u>\$ 146,350</u>	<u>\$ 23,763</u>	<u>\$ (169,993)</u>	<u>\$ 991,825</u>

Marshfield Clinic Health System, Inc.
Schedules of System Community Support
Years Ended December 31, 2023 and 2022
(Dollars in thousands)
(Unaudited)

	2023	2022
System Community Support		
Costs in excess of reimbursement - public programs - Medicare (a)	\$ 689,703	\$ 439,271
Costs in excess of reimbursement - public programs - Medicaid (a)	239,393	127,904
Costs in excess of reimbursement - public programs - Other (b)	7,429	4,395
Research and educational activities, net (c)	29,979	20,440
Charity care (d)	6,529	11,243
Patient assistance center (e)	1,225	1,439
Charitable donations (f)	559	559
Other (g)	1,744	1,065
	<u>\$ 976,561</u>	<u>\$ 606,316</u>
Total System community support		
	<u>\$ 976,561</u>	<u>\$ 606,316</u>

Notes:

(a) Estimated costs of providing services under Medicare and Medicaid programs (i.e., Medicare, Medicare Advantage plans, Medicaid, and Medicaid managed care) in excess of the reimbursement received by Marshfield Clinic (MC); costs of providing services under government programs are estimated using as allocation of total MC costs to gross charges by payor. The estimated costs include MC's operations only and exclude the plan side financial impact of the Medicare Advantage plan and Medicaid managed care plan at Security Health Plan.

(b) Estimated unreimbursed costs of providing care to low income underinsured and uninsured patients through MC's partnership with Family Health Center, a federally funded community health center.

(c) Estimated costs, net of grant and contract revenue, related to research activities performed by the Marshfield Clinic Research Institute, a division of MC; all educational activities of the Marshfield Clinic Education Foundation, a division of the MC, including the cost of continuing medical and other educational provided to MC physicians and staff, medical students, interns, and residents.

(d) Estimated cost of providing care to patients who cannot afford to pay. Charity care determinations are based on financial information provided by the patient and analysis of other relevant information according to the MC's charity care policy. The accounting policy for reporting charity care is based on estimated cost. MC changed its charity care policies in 2017 to expand eligibility and level of discounts. This resulted in a corresponding decrease in bad debt write-offs.

(e) Estimated unreimbursed cost of assisting patients in identifying and accessing available federal, state, local or MC programs, including assisting patients in accessing MC's charity care program.

(f) Amounts donated, including grants payable, to organizations that the MC's management has determined benefit the community.

(g) Estimated costs associated with other activities that the MC has determined benefit the community, including the New Vision art gallery that has a public display of artwork and the Heritage Foundation that has a public display of historical memorabilia. Also included are nonreimbursed costs of services related to physician practice time that is donated to various community organizations.

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APPENDIX C

SUMMARY OF THE MASTER INDENTURE AND THE TAX-EXEMPT BONDS SUPPLEMENT

The following summary of the Master Trust Indenture, as amended and supplemented, does not purport to be comprehensive or complete statement of all terms and conditions set forth therein. The reader is advised to consult the Master Trust Indenture as the definitive statements of such terms and conditions.

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The Second Amended and Restated Master Trust Indenture

Definitions

“Accelerable Instrument” means any Master Note or any mortgage, indenture, loan agreement, or other instrument under which there has been issued or incurred, or by which there is secured, any Indebtedness evidenced by a Master Note, which Master Note or instrument provides that, upon the occurrence of an event of default under such Master Note or instrument, the holder thereof may request that the Master Trustee declare such Master Note or Indebtedness due and payable prior to the date on which it would otherwise become due and payable.

“Additional Indebtedness” means Indebtedness incurred by any Member subsequent to the Effective Date.

“Additional Master Note” means any evidence of Indebtedness, evidence of any repayment obligation under a Financial Products Agreement, or evidence of a reimbursement obligation arising as a result of the issuance of a surety bond or other instrument guaranteeing, or in effect guaranteeing, any payments under a Financial Products Agreement issued after the Effective Date of the Master Indenture and in accordance with its terms, and that has been authenticated by the Master Trustee.

“Adjustable Indebtedness” means Indebtedness that is payable or subject to purchase at the option of the holder thereof prior to the stated maturity, but only to the extent of money available for such repayment or repurchase and not more frequently than once per year.

“Affiliate” means a corporation, limited liability company, partnership, joint venture, association, business trust, or similar entity that controls, is controlled by, or is under common control with, directly or indirectly, a Member. *“Control”* means with respect to: (a) a corporation having stock, the ownership, directly or indirectly, of more than 50% of the securities (as defined in Section 2(1) of the Securities Act of 1933, as amended) of any class or classes, the holders of which are ordinarily, in the absence of contingencies, entitled to elect a majority of the Governing Body of such corporation, (b) a not-for-profit corporation not having stock, having the power to elect or appoint, directly or indirectly, a majority of the members of the Governing Body of such corporation, or (c) any other entity, the power to direct the management of such entity through the ownership of a majority of its voting securities or the right to designate or elect a majority of the members of its Governing Body, by contract or otherwise.

“Audited Financial Statements” means the financial statements of a Person that have been prepared in accordance with GAAP and examined by independent certified public accountants in accordance with generally accepted auditing standards. Such financial statements at a minimum shall include a balance sheet, statement of operations, and statement of changes in net assets, and the report of the examination shall contain an opinion relative to such financial statements. With respect to the Obligated Group, *“Audited Financial Statements”* means (a) if all of the Members of the Obligated Group, and only the Members of the Obligated Group, are included in the audited consolidated financial statements of the Corporation, the audited consolidated financial statements of the Corporation, or (b) in all other cases, the combined financial statements of the Obligated Group Members, each of which shall be (i) Audited Financial Statements or (ii) unaudited financial statements included within the consolidated Audited Financial Statements of the Corporation; *provided* that such combined financial statements of the Obligated Group must be accompanied by the statement of the independent certified public accountants to the effect that the included unaudited financial statements of a Member were subject to auditing procedures applied in the examination of the consolidated financial statements and are presented fairly in all material respects in relation to such consolidated financial statements taken as a whole. The Audited Financial Statements of the Obligated Group shall be presented in the form of supplementary information to the Audited Financial Statements of the Corporation.

“Assumed Term” means a period of 30 years; provided, however, for any Master Note that has a stated maturity more than 30 years from the date of the relevant calculation, then the Assumed Term for such Master Note shall be the period until the stated maturity of such Master Note.

“Balloon Indebtedness” means Long-Term Indebtedness, 25% or more of the original principal of which matures during any consecutive twelve-month period, if such maturing principal amount is not required to be

amortized below such percentage by mandatory redemption or prepayment prior to such twelve-month period. Balloon Indebtedness does not include Indebtedness that otherwise would be classified as Put Indebtedness.

“*Bondholder*,” “*holder*” or “*owner of the Bonds*” means the registered owner of any Related Bond.

“*Book Value*,” when used with respect to Property of a Member, means the value of such Property, net of accumulated depreciation and amortization, as reflected in the most recent Audited Financial Statements of the Member, and, when used with respect to Property of all Members, means the aggregate of the values of such Property, net of accumulated depreciation and amortization, as reflected in the most recent combined Audited Financial Statements of the Obligated Group, *provided* that such aggregate shall be calculated in such a manner that no portion of the value of any Property of any Member is included more than once.

“*Business Day*” means a day that is not (a) a Saturday, Sunday, or legal holiday on which banking institutions in the State of Wisconsin are authorized by law to close, or (b) a day on which the New York Stock Exchange is closed.

“*Capitalization Ratio*” means the Obligated Group’s total Long-Term Indebtedness expressed as a percentage of the sum of (a) such Long-Term Indebtedness and (b) the Obligated Group’s total Unrestricted Net Assets, each as shown on or derived from the most recent Audited Financial Statements of the Obligated Group.

“*Capitalized Interest*” means amounts irrevocably deposited in escrow to pay interest on Long-Term Indebtedness or Related Bonds and interest earned on such deposits to the extent such interest is required to be applied to pay interest on Long-Term Indebtedness or Related Bonds.

“*Capitalized Lease*” means any lease of real or personal property that, in accordance with GAAP, is required to be capitalized on the balance sheet of the lessee.

“*Capitalized Rentals*” means, as of the date of determination, the amount at which the aggregate Net Rentals due and to become due under a Capitalized Lease would be reflected as a liability on a balance sheet of the lessee.

“*Cash*” means the aggregate amount of (i) cash and cash equivalents, (ii) assets whose use is limited or restricted and/or (iii) investments (so long as such investments are marketable securities valued at fair market), as presented in the applicable Audited Financial Statements. Notwithstanding any of the foregoing to the contrary, Cash shall not include (A) assets the use of which is limited under Related Bond Indentures, (B) self-insurance funds, (C) proceeds of any short-term borrowings including, without limitation, internal affiliate loans and draws on lines of credit regardless of the maturity date of the line of credit, (D) funds or investments subject to any donor restrictions, or (E) funds or investments restricted by the State for unemployment compensation and statutory purposes.

“*Code*” means the Internal Revenue Code of 1986, as amended from time to time.

“*Commitment Indebtedness*” means (a) the obligation of a Member to repay amounts disbursed pursuant to a commitment from a financial institution, insurer, surety, or similar entity to pay, refinance, or purchase when due, when tendered, or when required to be purchased or tendered, or to advance funds for any such purpose: (i) other Indebtedness or other obligation of such Member, or (ii) Indebtedness or other obligation of a Person who is not a Member, which Indebtedness is Guaranteed by such Member or secured by or payable from amounts paid on Indebtedness of such Member, in either case which Indebtedness or Guaranty of such Member was incurred in accordance with the provisions of the Master Indenture, and (b) the obligation of any Member to pay interest payable on amounts disbursed for such purposes, plus any fees, costs, or expenses payable to such financial institution, insurer, surety, or similar entity for, under or in connection with such commitment, in the event of disbursement pursuant to such commitment or in connection with enforcement thereof, including without limitation any penalties payable in the event of such enforcement and any indemnification or contribution obligation related thereto.

“*Completion Indebtedness*” means any Long-Term Indebtedness for borrowed money: (a) incurred for the purpose of financing the completion of the acquisition, construction, remodeling, renovation, or equipping of Facilities with respect to which Long-Term Indebtedness for borrowed money has been incurred in accordance with the

provisions of the Master Indenture, and (b) with a principal amount not in excess of the amount required to provide a completed and equipped Facility of substantially the same type and scope contemplated at the time such prior Long-Term Indebtedness was originally incurred, to provide for Capitalized Interest during the period of construction, to provide any reserve fund relating to such Completion Indebtedness and to pay the costs and expenses of issuing such Completion Indebtedness.

“Construction Index” means the most recent issue of the “Dodge Construction Index for U.S. and Canadian Cities” with reference to the city in which the subject property is located (or, if such Index is not available for such city, with reference to the city located closest geographically to the city in which the subject property is located), or, if such Index is no longer published or used by the federal government in measuring costs under Medicare or Medicaid programs, such other index that is certified to be comparable and appropriate by the Obligated Group Agent in an Officer’s Certificate delivered to the Master Trustee and which other index is acceptable to the Master Trustee.

“Consultant” means a professional consulting or banking firm selected by the Obligated Group Agent and reasonably acceptable to the Master Trustee, having the skill and experience necessary to render the particular report required and having a favorable and nationally recognized reputation for such skill and experience, which firm shall have no interest, direct or indirect, in any Member and shall not have a partner, member, director, officer, or employee who is a partner, member, director, officer, or employee of any Member, it being understood that an arm’s-length contract between such firm and any Member for the performance of consulting or banking services shall not in and of itself be regarded as creating an interest in or an employee relationship with such entity.

“Contributions” means the aggregate amount of all contributions, grants, gifts, bequests and devises actually received in cash or marketable securities by any Person in the applicable fiscal year of such Person, and any such contributions, grants, gifts, bequests, and devises originally received in a form other than cash or marketable securities by any Person that are converted in such fiscal year to cash or marketable securities.

“Corporation” means Marshfield Clinic Health System, Inc., a Wisconsin corporation, and its successors and assigns and any surviving, resulting, or transferee corporation.

“Crossover Date” means, with respect to Crossover Refunding Indebtedness, the date on which the principal portion of the Crossover Refunded Indebtedness is paid or redeemed, or on which it is anticipated that such principal portion will be paid or redeemed, from the proceeds of such Crossover Refunding Indebtedness.

“Crossover Refunded Indebtedness” means Indebtedness of a Person refunded by Crossover Refunding Indebtedness.

“Crossover Refunding Indebtedness” means Indebtedness of a Person issued for the purpose of refunding other Indebtedness of such Person if the proceeds of such Crossover Refunding Indebtedness are irrevocably deposited in escrow to secure the payment on the applicable Crossover Date of the Crossover Refunded Indebtedness and earnings on such escrow deposit are required to be applied to pay interest or principal on either or both of such Crossover Refunding Indebtedness or such Crossover Refunded Indebtedness until the Crossover Date.

“Current Value” means (a) with respect to Property, Plant and Equipment: (i) the aggregate fair market value of such Property, Plant and Equipment as reflected in the most recent written report of an appraiser selected by the Obligated Group Agent and acceptable to the Master Trustee and, in the case of real property, who is a member of the American Institute of Real Estate Appraisers (MAI), delivered to the Master Trustee (which report shall be dated not more than three years prior to the date as of which Current Value is to be calculated) increased or decreased by a percentage equal to the aggregate percentage increase or decrease in the Construction Index from the date of such report to the date as of which Current Value is to be calculated, plus (ii) the Book Value of any Property, Plant and Equipment acquired since the last such report increased or decreased by a percentage equal to the aggregate percentage increase or decrease in the Construction Index from the date of such acquisition to the date as of which Current Value is to be calculated, minus (iii) the greater of the Book Value or the fair market value (as reflected in such most recent appraiser’s report) of any Property, Plant and Equipment disposed of since the last such report increased or decreased by a percentage equal to the aggregate percentage increase or decrease in the Construction Index from the date of such report to the date as of which Current Value is to be calculated, and (b) with respect to any other Property, the fair

market value of such Property, which fair market value shall be evidenced in a manner satisfactory to the Master Trustee.

“Days of Cash on Hand” means, (a) with respect to such calculation as of the end of a Fiscal Year, the ratio (determined on the basis of the Audited Financial Statements of the Obligated Group for such Fiscal Year) of (i) Cash of the Obligated Group as of the end of such Fiscal Year to (ii) the quotient of total operating expenses of the Obligated Group (excluding depreciation and amortization) for such Fiscal Year, divided by 365.

“Debt Service Requirement” means, with respect to the period of time for which calculated, the aggregate of the payments required to be made during such period in respect of principal (whether at maturity, as a result of mandatory sinking fund redemption, mandatory prepayment, or otherwise) and interest on outstanding Long-Term Indebtedness of each Person or a group of Persons with respect to which calculated; *provided, however*, that optional redemptions shall not be deemed to be *“required”* as that term is utilized in this definition, and *provided, further*, that: (a) the amount of such payments for a future period shall be calculated in accordance with the assumptions contained in the provisions of the Master Indenture relating to Additional Indebtedness and Calculation of Debt Service and Debt Service Coverage, (b) interest shall be excluded from the determination of the Debt Service Requirement to the extent that Capitalized Interest is available to pay such interest, and (c) principal of and interest on Indebtedness shall be excluded from the determination of Debt Service Requirement to the extent that amounts are on deposit in an irrevocable escrow and such amounts (including, where appropriate, the earnings or other increment to accrue thereon) are required to be applied to pay such principal and interest, and such amounts are in fact sufficient to pay such principal and interest.

“Defaulted Interest” means interest on any Related Bond of a particular series that is payable but not duly paid on the date due.

“Effective Date” means the date that the Master Indenture was executed and delivered by the parties thereto, i.e., April 3, 2012.

“Electronic Means” shall mean the following communications methods: e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Master Trustee, or another method or system specified by the Master Trustee as available for use in connection with its services under the Master Indenture.

“Encumbered” means, with respect to Property, subject to: (a) a Lien described in subsections (a), (b), (m), and (o)(ii) of the definition of Permitted Encumbrances or, (b) any other Lien not described in the definition of Permitted Encumbrances; *provided* that any amounts on deposit in a construction fund created in connection with the issuance of a Master Note that are held as security for the payment of such Master Note or any Indebtedness incurred to purchase such Master Note or the proceeds of which are advanced or otherwise made available in connection with the issuance of such Master Note, shall not be deemed to be Encumbered if the amounts are to be applied to construct or otherwise acquire Property that is not subject to a Lien.

“Escrow Obligations” means (a) with respect to any Master Note that secures a series of Related Bonds, the obligations permitted to be used to refund or advance refund such series of Related Bonds under the Related Bond Indenture, or (b) in all other cases (i) United States Government Obligations, (ii) obligations of any agency or instrumentality of the United States Government, (iii) certificates of deposit issued by a bank or trust company that are (A) fully insured by the Federal Deposit Insurance Corporation, Federal Savings and Loan Insurance Corporation, or similar corporation chartered by the United States or (B) secured by a pledge of United States Government Obligations having an aggregate market value, exclusive of accrued interest, equal at least to the principal amount of the certificates so secured, which security is held in a custody account by a custodian satisfactory to the Master Trustee, (iv) evidences of a direct ownership in future interest or principal payments on obligations of the type described in (b)(i) above, which obligations are held in a custody account by a custodian satisfactory to the Master Trustee pursuant to the terms of a custody agreement, or (v) after 30 days’ prior written notice to each Rating Agency then maintaining a rating on any Master Notes or Related Bonds, shares or certificates in any short-term investment fund that is maintained by the Master Trustee or a Related Bond Trustee.

“*Excluded Property*” means (a) any assets of “*employee pension benefit plans*” as defined in the Employee Retirement Income Security Act of 1974, as amended, and (b) certain real estate described on Exhibit C of the Master Indenture, as such Exhibit may be amended from time to time in accordance with the provisions of the Master Indenture, and all improvements, fixtures, tangible personal property and equipment located thereon and used in connection therewith.

“*Expenses*” means, for any period, the aggregate of all expenses calculated under GAAP, including without limitation any taxes, incurred by the Person or group of Persons involved during such period, minus (a) interest expense, (b) depreciation and amortization expense, (c) expenses that are Extraordinary Items, (d) any expenses resulting from: (i) the extinguishment of debt, (ii) the disposition of capital assets other than in the ordinary course of business, or (iii) adjustments to the value of assets or liabilities resulting from changes in GAAP, (e) expenses resulting from a forgiveness of, or the establishment of reserves against, Indebtedness of an Affiliate, (f) losses resulting from any reappraisal, revaluation, or write-down of assets (including without limitation intangibles), (g) any loss or change in the value of a Financial Products Agreement, hedging, derivative, interest rate exchange, or similar contract (including any change in the value of the termination value thereof), (h) any unrealized loss or change in value of investment securities, (i) any nonrecurring items that do not involve the expenditure or transfer of assets (x) expenses attributable to discontinued operations, and (j) if such calculation is being made with respect to the Obligated Group, excluding any such expenses attributable to transactions between any Member and another Member, provided, however, that the provisions of (a) through (j) notwithstanding, no amount shall be subtracted from expenses more than once. “*Expenses*” of the Obligated Group, for the purposes of the various calculations required to be made under the Master Indenture, shall not include the above items of a person whose Indebtedness is guaranteed by a Member of the Obligated Group.

“*Exposure on Guaranteed Debt*” means, with respect to the period of time for which calculated, an amount equal to 100% of the maximum annual debt service requirement (calculated in the same manner as Maximum Annual Debt Service Requirement) on the Guaranteed Indebtedness of a Primary Obligor; *provided, however*, that if the guarantor has not been required, by reason of its guaranty, to make any payment in respect of the Guaranteed Indebtedness within the immediately preceding twelve (12) months, Exposure on Guaranteed Debt shall be zero.

“*Extraordinary Items*” means the after tax financial impact of significant events, transactions, or activities that are both unusual in nature and infrequent in occurrence. Such extraordinary events, transactions or activities include, but are not limited to, the following: (i) Force Majeure Events, (ii) affiliation or asset acquisitions activities, including direct expenses incurred related to pre-affiliation or acquisition activities, such as, without limitation, legal fees, consultant fees and due diligence costs, as well as post affiliation or acquisition adjustments and (iii) insurance settlements.

“*Facilities*” means all land, leasehold interests, and buildings and all fixtures and equipment (as defined in the Uniform Commercial Code or equivalent statute in effect in the state where such fixtures or equipment are located) of a Person. Facilities shall not include the land, leasehold interests, buildings, fixtures, or equipment constituting Excluded Property.

“*Financial Products Agreement*” means any interest rate exchange agreement, hedge, or similar arrangement, including, *inter alia*, an interest rate swap, asset swap, a constant maturity swap, a forward or futures contract, cap, collar, option, floor, forward or other hedging agreement, arrangement, or security, direct funding transaction, or other derivative, however denominated and whether entered into on a current or forward basis.

“*Fiscal Year*” means any twelve-month period beginning on January 1 of any calendar year and ending on December 31st, or such other consecutive twelve-month period selected by the Obligated Group Agent as the fiscal year for the Members.

“*Fitch*” means Fitch, Inc. and its successors and assigns.

“*Force Majeure Event*” means any significant event that is both unusual in nature and infrequent in occurrence including but not limited to any of the following: acts of God; industrial disturbances; acts of public enemies; acts or orders of any kind of the government of the United States of America, or of any state or locality thereof or any of their departments, agencies, or officials, or any civil or military authority that materially restricts the

ability of a Member to operate its facilities as intended; terrorist acts; insurrections; riots; epidemics; pandemics; landslides; lightning; earthquakes; fires; hurricanes; tornadoes; storms; floods; washouts; droughts; arrests; restraining of government and people; civil disturbances; explosions; nuclear accidents; wars; breakage or accidents to machinery, transmission pipes or canals; partial or entire failure of utilities or any other cause not reasonably within the control of the Members.

“GAAP” means generally accepted accounting principles in the United States. Where the character or amount of any asset or liability or item of income or expense is required to be determined, or any consolidation, combination or other accounting computation is required to be made, for the purposes of the Master Indenture or any agreement, document or certificate executed and delivered in connection with or pursuant to the Master Indenture, such determination or computation shall be done in accordance with GAAP in effect on, at the sole option of the Obligated Group Agent, (i) the date such determination or computation is made for any purpose of the Master Indenture or (ii) the date of execution and delivery of the Master Indenture if the Obligated Group Agent delivers an Officer’s Certificate to the Master Trustee describing why then current GAAP is inconsistent with the intent of the parties on the date of execution and delivery of the Master Indenture.

“*Governing Body*” means, with respect to a Member, the board of directors, board of trustees, or similar group in which the right to exercise the powers of corporate directors or trustees is vested.

“*Government Obligations*” means securities consisting of (a) United States Government Obligations, or (b) evidences of a direct ownership in future interest or principal payments on obligations of the type described in clause (a), which obligations are held in a custody account by a custodian satisfactory to the Master Trustee pursuant to the terms of a custody agreement.

“*Gross Revenues*” means (a) all accounts (including, but not limited to, health care insurance receivables), accounts receivable and other contract rights in connection therewith and assignable general intangibles now owned or hereafter acquired by any Member of the Obligated Group regardless of how generated, and all proceeds therefrom, whether cash or noncash, all as defined in Article 9 of the Uniform Commercial Code, as amended, of the state in which such Member has its primary place of business and (b) all other receipts, revenues and income derived from the Property, Plant and Equipment of any Member of the Obligated Group or on behalf of the Obligated Group by the Master Trustee or a receiver; excluding in all cases, however, gifts, grants, bequests, donations and contributions to any Member heretofore or hereafter made, and the income and gains derived therefrom, that are specifically restricted by the donor or grantor to a particular purpose that is inconsistent with their use for payments required under the Master Indenture or on the Master Notes.

“*Guaranteed Debt Service Coverage Ratio*” means the ratio consisting of a denominator of one and a numerator equal to the amount determined by dividing the Primary Obligor’s Income Available for Debt Service on Guaranteed Indebtedness for the most recent fiscal year of the Primary Obligor for which audited financial statements are available by the maximum annual debt service requirement (determined in the same manner as Maximum Annual Debt Service Requirement) on the obligation guaranteed and all other Indebtedness of the Primary Obligor.

“*Guaranty*” means all obligations of a Person guaranteeing, or in effect guaranteeing, any Indebtedness, dividend, or other obligation of any Primary Obligor in any manner, whether directly or indirectly, including but not limited to obligations incurred through an agreement, contingent or otherwise, by such Person: (a) to purchase such Indebtedness or obligation or any Property constituting security therefor, (b) to advance or supply funds: (i) for the purchase or payment of such Indebtedness or obligation, or (ii) to maintain working capital or other balance sheet condition, (c) to purchase securities or other Property or services primarily for the purpose of assuring the owner of such Indebtedness or obligation of the ability of the Primary Obligor to make payment of the Indebtedness or obligation, or (d) otherwise to assure the owner of such Indebtedness or obligation against loss in respect thereof. The word “*Guaranteed*” describes Indebtedness or other obligations that are the subject of a Guaranty. Notwithstanding the foregoing, none of the following shall be deemed to be a Guaranty: (A) the endorsement in the ordinary course of business of negotiable instruments for deposit or collection, (B) the discount or sale with recourse of any such Person notes receivable or accounts receivable, (C) rentals payable in future years under operating leases, *provided* that such leases be for an original term of 84 months or less, (D) the obligation to make payments on Master Notes pursuant to the provisions of the Master Indenture, (E) any obligation of such person guaranteeing or in effect guaranteeing any indebtedness or other obligation of the primary obligor that does not constitute sum certain, and (F) any obligation of

any Member to guaranty indebtedness of, or to purchase land and improvements thereon from, physicians (or entities controlled by such physicians) who are at the date of, or will become pursuant to the contract creating, such obligation, members of the medical staff of such Member; *provided, however*, that guaranties of indebtedness shall not be excluded under clause (F) to the extent that the aggregate amount thereof exceed 1% of the Revenues of the Obligated Group in the most recent Fiscal Year for which audited financial statements of the Obligated Group are available.

“Income Available for Debt Service” means, for any period, the excess of Revenues over Expenses of the Person or group of Persons involved.

“Income Available for Debt Service on Guaranteed Debt” means for any fiscal year of a Primary Obligor all Revenues of the Primary Obligor minus its Expenses.

“Indebtedness” means, for any Person (a) all indebtedness, whether incurred or assumed, for borrowed money, (b) all installment sales and capital lease obligations, whether incurred or assumed, (c) all Guaranties, and (d) every obligation evidenced by bonds, debentures, notes, or other similar instrument, or for the deferred purchase price of Property; *provided, however*, that Indebtedness shall not include (i) obligations of any Member to another Member, (ii) the joint and several liability of any Member on Indebtedness of another Member, (iii) obligations (including any termination payments) under Financial Products Agreements unless such obligations are presently due and owing, (iv) the obligation of any Member to repay moneys deposited by patients or others with a Member as security for or as prepayment of the cost of patient care, (v) any rights of residents of life care, elderly housing, or similar facilities to endowments or similar funds deposited by or on behalf of such residents, (vi) any Master Note issued under the Master Indenture to secure Indebtedness incurred in compliance with the Master Indenture, or (vii) Operating Leases.

“Independent Architect” means an architect, engineer, or firm of architects or engineers selected by a Member, acceptable to the Master Trustee and licensed by, or permitted to practice in, the state where the construction involved is located, which architect, engineer, or firm of architects or engineers shall have no interest, direct or indirect, in any Member and, in the case of an individual, shall not be a member, director, officer, or employee of any Member and, in the case of a firm, shall not have a partner, member, director, officer, or employee who is a member, director, officer, or employee of any Member; it being understood that an arm’s-length contract with any Member for the performance of architectural or engineering services shall not in and of itself be regarded as creating an interest in or an employee relationship with such entity and that the term Independent Architect may include an architect or engineer or a firm of architects or engineers who otherwise meet the requirements of this definition and who also are under contract to construct the facility that they have designed.

“Independent Counsel” means an attorney duly admitted to practice law before the highest court of any state and, without limitation, may include independent legal counsel for any Related Issuer, any Member, the Master Trustee, or any Related Bond Trustee.

“Insurance Consultant” means a person or firm who in the case of an individual is not an employee or officer of any Member or any Related Issuer and that, in the case of a firm, shall not have a partner, member, director, officer, or employee who is a member, director, officer, or employee of any Member or any Related Issuer, appointed by the Obligated Group Agent and reasonably satisfactory to the Master Trustee, qualified to survey risks and to recommend insurance coverage for hospital or health care facilities and services of the type involved, and having a favorable reputation for skill and experience in such surveys and such recommendations, and that may include a broker or agent with whom any Member transacts business.

“Insurance Subsidiary” means any corporation that is wholly owned or controlled by one or more Members and that is in the business of providing insurance coverage to one or more Members.

“Lien” means any mortgage, pledge, or lease of, security interest in or lien, charge, restriction, or encumbrance upon, any Property of the Person involved in favor of, or that secures any obligation to, any Person other than any Member, and any Capitalized Lease under which any Member is lessee and the lessor is not another Member, but excluding, however, and lease and leaseback or similar arrangement with a Related Issuer to the extent required in connection with the issuance of Related Bonds.

“Long-Term Indebtedness” means Indebtedness (which also may constitute Balloon Indebtedness or Put Indebtedness) having an original stated maturity or term greater than one year or renewable at the option of the debtor for a period greater than one year from the date of original issuance.

“Master Indenture” means the Second Amended and Restated Master Trust Indenture between the Corporation, as Obligated Group Agent and the Master Trustee, dated as of October 1, 2016, as it may be amended or supplemented in accordance with its terms.

“Master Note holder” or *“holder”* or *“owner of the Master Note”* means the registered owner of any fully registered or book entry Master Note unless alternative provision is made in the Supplemental Master Indenture pursuant to which such Master Note is issued for establishing ownership of such Master Note, in which case such alternative provision shall control.

“Master Notes” means the Prior Master Notes and any Additional Master Notes, and any Master Note or Master Notes issued in exchange therefor.

“Master Trustee” means The Bank of New York Mellon Trust Company, N.A., or any successor trustee under the Master Indenture.

“Maximum Annual Debt Service Coverage Ratio” means, for any period of time, the ratio consisting of a numerator equal to the amount determined by dividing Income Available for Debt Service for that period by the Maximum Annual Debt Service Requirement, and a denominator of one; *provided, however*, that in calculating the Debt Service Requirement for any completed period, the principal amount of any Indebtedness included in such calculation that is paid during such period shall be excluded to the extent such principal amount is paid from the proceeds of other Indebtedness incurred in compliance with the provisions of the Master Indenture or from amounts deposited with a Related Bond Trustee or Related Issuer to provide for such payment, which amounts were deposited in Fiscal Years prior to the Fiscal Year in which such principal became due.

“Maximum Annual Debt Service Requirement” means the largest total Debt Service Requirement of a Person (or combined total Debt Service Requirement for a group of Persons) that will exist in the current or any subsequent Fiscal Year; *provided* that, with respect to the calculation of any historical debt service coverage, the “current year” shall be the Fiscal Year for which such calculation is being made, and *provided, further*, that principal and interest payments on Indebtedness due on the first day or first Business Day of a month shall be deemed payable during the preceding month if they are required to be fully deposited with a trustee for such Indebtedness during such preceding month; and *provided even further*, in the case of any Long-Term Indebtedness, Maximum Annual Debt Service Requirement may be projected based on assumed level annual payments, determined in accordance with the assumptions contained in the Master Indenture that are summarized under the captions “Additional Indebtedness” and “Debt Service Coverage and Calculation of Debt Service” below.

“Member” or *“Member of the Obligated Group”* means any Person who is on the Effective Date, or thereafter becomes, a Member of the Obligated Group and who has not subsequently ceased to be a Member of the Obligated Group, all as provided in the Master Indenture.

“Moody’s” means Moody’s Investors Service, Inc., a corporation organized and existing under the laws of the State of Delaware, its successors and assigns and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, *“Moody’s”* shall be deemed to refer to any other nationally recognized securities rating agency designated by the Corporation by notice to the Master Trustee.

“Net Proceeds” means, when used with respect to any insurance or condemnation award or sale consummated under threat of condemnation, the gross proceeds from the insurance or condemnation award or sale with respect to which that term is used, less all expenses (including attorney’s fees, adjuster’s fees and any expenses of the Master Trustee) incurred in the collection of such gross proceeds.

“Net Rentals” means all fixed rents (including as such all payments that the lessee is obligated to make to the lessor on termination of the lease or surrender of the Property other than upon termination of the lease for a default

thereunder) payable under a lease or sublease of real or personal Property excluding any amounts required to be paid by the lessee (whether or not designated as rents or additional rents) on account of maintenance, repairs, insurance, taxes, and similar charges. Net Rentals for any future period under any so-called “*percentage lease*” shall be computed on the basis of the amount reasonably estimated to be payable thereunder for such period, but in any event not less than the amount paid or payable thereunder during the immediately preceding period of the same duration as such future period; provided that the amount estimated to be payable under any such percentage lease shall in all cases recognize any change in the applicable percentage called for by the terms of such lease.

“*Non-Recourse Indebtedness*” means any Indebtedness the liability for which is effectively limited to Property, Plant and Equipment, not less than 80% of the cost of which Property, Plant and Equipment shall have been financed solely with the proceeds of such Indebtedness with no recourse, directly or indirectly, to any other Property of any Member.

“*Obligated Group*” means the Members of the Obligated Group collectively.

“*Obligated Group Agent*” means the Corporation or such other Member as may be designated from time to time pursuant to written notice to the Master Trustee from the Corporation or, if the Corporation is no longer a Member of the Obligated Group, pursuant to written notice executed by each Member of the Obligated Group.

“*Obligated Issuer*”, to the extent the term appears in documents existing prior to the Effective Date or the Exhibits hereto, has the same meaning as “Member of the Obligated Group.”

“*Officer’s Certificate*” means a certificate delivered on behalf of a Person by such Person’s Governing Body chair, chief executive officer, chief financial officer, or other person whose authority to execute such Certificate shall be evidenced to the satisfaction of the Master Trustee, which Officer’s Certificate shall state that it is being delivered pursuant to (and shall identify the section or subsection of) the Master Indenture and shall incorporate by reference and use in all appropriate instances all terms defined in Article I of the Master Indenture.

“*Operating Lease*” means all lease obligations of a Person, whether or not constituting indebtedness or a Guaranty within the meaning of the Master Indenture and whether or not evidenced by a Master Note, which, in accordance with generally accepted accounting principles in effect at the time such lease obligation is entered into or assumed by such Person, is categorized as an operating lease and is not required, in accordance with such accounting principles, to be included in the balance sheet of such Person. Any re-characterization of any lease obligation subsequent to its being entered into or assumed, as Indebtedness or otherwise, shall not affect its characterization as an “*Operating Lease*” for purposes of the Master Indenture.

“*Original Master Indenture*” means the Master Trust Indenture dated as of August 1, 1988, as previously supplemented and amended to the Effective Date, including as supplemented and amended by the Amended and Restated Master Trust Indenture dated as of April 1, 2012, between the Corporation and the Master Trustee.

“*Outstanding*” means, in the case of Indebtedness of a Person other than Related Bonds or Master Notes, all such Indebtedness of such Person that has been issued except any such portion thereof cancelled after purchase on the open market or cancelled on account of payment at, or redemption prior to, maturity, any such Indebtedness in lieu of which other Indebtedness has been duly issued, and any such Indebtedness that is no longer deemed outstanding under its terms and with respect to which such Person is no longer liable under the terms of such Indebtedness.

“*Outstanding Master Notes*” or “*Master Notes outstanding*” means all Master Notes that have been duly authenticated and delivered by the Master Trustee under the Master Indenture, except: (a) Master Notes cancelled after purchase in the open market or cancelled on account of payment at, or prepayment or redemption prior to, maturity; (b) (i) Master Notes for the payment or redemption of which cash or Escrow Obligations shall have been deposited with the Master Trustee (whether upon or prior to the maturity or redemption date of any such Master Notes); *provided* that if such Master Notes are to be prepaid or redeemed prior to the maturity thereof, notice of such prepayment or redemption shall have been given or irrevocable arrangements satisfactory to the Master Trustee shall have been made therefor, or waiver of such notice satisfactory in form to the Master Trustee shall have been filed with the Master Trustee and (ii) Master Notes securing Related Bonds for the payment or redemption of which cash or

Escrow Obligations shall have been deposited with the Related Bond Trustee (whether upon or prior to the maturity or redemption date of any such Master Notes); *provided* that if such Related Bonds are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given or arrangements satisfactory to the Related Bond Trustee shall have been made therefor, or waiver of notice satisfactory in form to the Related Bond Trustee shall have been filed with the Related Bond Trustee; (c) Master Notes in lieu of which others have been authenticated by the Master Trustee; and (d) For purposes of all consents, approvals, waivers and notices required to be obtained or given under the Master Indenture, Master Notes held or owned by a Member. Notwithstanding the foregoing, any Master Note securing Related Bonds shall be deemed outstanding if such Related Bonds are Outstanding.

“Outstanding Related Bonds” or *“Related Bonds outstanding”* means all Related Bonds that have been duly authenticated and delivered by the Related Bond Trustee under a Related Bond Indenture and are deemed outstanding under the terms of such Related Bond Indenture or, if such Related Bond Indenture does not specify when Related Bonds are deemed outstanding thereunder, all such Related Bonds that have been so authenticated and delivered, except: (a) Related Bonds cancelled after purchase in the open market or cancelled on account of payment at, or prepayment or redemption prior to, maturity; (b) Related Bonds for the payment or redemption of which cash or Escrow Obligations of the type described in clause (a) of the definition thereof shall have been theretofore deposited with the Related Bond Trustee (whether upon or prior to the maturity or redemption date of any such Bonds) in accordance with the Related Bond Indenture; *provided* that if such Bonds are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given or arrangements satisfactory to the Related Bond Trustee shall have been made therefor, or waiver of such notice satisfactory in form to the Related Bond Trustee shall have been filed with the Related Bond Trustee; (c) Related Bonds in lieu of which others have been authenticated under the Related Bond Indenture; and (d) For the purposes of all covenants, approvals, waivers and notices required to be obtained or given under the Related Bond Indenture, Related Bonds held or owned by a Member.

“Paying Agent” means the bank or banks, if any, designated pursuant to a Related Bond Indenture to receive and disburse the principal of and interest on any Related Bonds or designated pursuant to the Master Indenture to receive and disburse the principal of and interest on any Master Notes.

“Permitted Encumbrances” means the Master Indenture, any Related Loan Document, any Related Bond Indenture and, as of any particular time:

(a) Any Lien on Property (other than the Facilities owned prior to the construction or acquisition of such Property) if, at the time the Indebtedness secured thereby is issued or incurred by any Member, or in the case of Property acquired subject to an existing Lien, at the time of such acquisition, the aggregate amount remaining unpaid on the Indebtedness secured thereby (whether or not assumed by the Member) shall not exceed the fair market value or (if such Property has been purchased) the lesser of the acquisition price or the fair market value of the Property subject to such Lien as determined in good faith by the Governing Body of the Member;

(b) Leases that relate to Property of the Obligated Group that is of a type that is customarily the subject of such leases, such as office space for physicians and educational institutions, food service facilities, gift shops, radiology or other hospital-based specialty services, pharmacy, and similar departments; leases entered into in accordance with the disposition of Property provisions of the Master Indenture, and any leases, licenses or similar rights to use Property whereunder a Member is lessee, licensee or the equivalent thereof upon fair and reasonable terms no less favorable to the lessee or licensee than would obtain in a comparable arm’s-length transaction;

(c) Any Lien arising by reason of good faith deposits with a Member in connection with tenders, leases of real estate, bids, or contracts (other than contracts for the payment of money), any Lien arising by reason of deposits by any Member to secure public or statutory obligations, or to secure, or in lieu of, surety, stay, or appeal bonds, and deposits as security for the payment of taxes or assessments or other similar charges, and any Lien arising by reason of deposits with, or the giving of any form of security to, any governmental agency or any body created or approved by law or governmental regulation for any purpose at any time as required by law or governmental regulation as a condition to the transaction of any business or the exercise of any privilege or license;

(d) Statutory rights under Section 291, Title 42 of the United States Code, as a result of what are commonly known as Hill-Burton grants, rights in connection with loans or grants from the United States Department of Agriculture, and similar rights under other federal statutes or statutes of the state in which the Property involved is located;

(e) Any Lien arising by reason of deposits to enable any Member or an Insurance Subsidiary to maintain self-insurance or to participate in any funds established to cover any insurance risks or in connection with workers' compensation, unemployment insurance, pension or profit sharing plans, or other social security plans or programs, or to share in the privileges or benefits required for corporations participating in such arrangements;

(f) Any Lien of, or resulting from, any judgment or award, the time for the appeal or petition for rehearing of which shall not have expired, or in respect of which any Member shall at any time in good faith be prosecuting an appeal or proceeding for a review and in respect of which a stay of execution pending such appeal or proceeding for review shall be in existence;

(g) Liens for taxes, assessments, levies, fees, water and sewer rents, and other governmental and similar charges that are not then delinquent, or if then delinquent are being contested in accordance with the provisions of the Master Indenture;

(h) Any mechanic's, laborer's, materialman's, supplier's, or vendor's Lien, or right in respect thereof, if payment is not yet due or delinquent under the contract in question or if such Lien is being contested in accordance with the provisions of the Master Indenture;

(i) (A) Utility, access and other easements and rights-of-way, restrictions, encumbrances, and exceptions that do not materially interfere with or materially impair the operation of the Property affected thereby (or, if such Property is not being then operated, the operation for which it was designed or last modified), and (B) all right, title and interest of the state where the Property involved is located, municipalities and the public in and to tunnels, bridges and passageways over, under or upon a public way;

(j) Such Liens, defects, irregularities of title, and encroachments on adjoining property as normally exist with respect to property similar in character to the Property involved and that do not materially and adversely affect the value of, or materially impair, the Property affected thereby for the purpose for which it was acquired or is held by the owner thereof, including without limitation statutory liens granted to banks or other financial institutions, which liens have not been specifically granted to secure Indebtedness and that do not apply to Property that has been deposited as part of a plan to secure Indebtedness;

(k) Zoning laws and similar restrictions that are not violated by the Property affected thereby and all other rights reserved to or vested in any municipality or public authority to control or regulate any Property or to use such Property in any manner, which rights do not materially impair the use of such Property or materially and adversely affect the value thereof;

(l) Any Lien to which the Property of a Member is subject at the time it becomes a Member, *provided* that (i) no Lien so described may be modified to apply to any Property of any Member not subject to such Lien on the date such Member joined the Obligated Group, (ii) no Additional Indebtedness may be thereafter incurred that is secured by such Lien, and (iii) no Lien so described may be extended or replaced by another Lien that is not a Permitted Encumbrance (other than by reason of this paragraph (l));

(m) Any Lien that, when aggregated with all other Liens classified as Permitted Encumbrances under this paragraph (m), the Book Value or, at the option of the Obligated Group Agent, the Current Value of the Property of the Obligated Group so Encumbered is not more than 20% of the value of all of the unencumbered Property of the Obligated Group (such value to be determined on the same basis as the value of the Encumbered Property, and *provided* that the pledge of any Property to the payment or security of Master Notes shall be disregarded in the determination of whether such Property is "unencumbered"), and

provided, further, that the conditions of the Master Indenture are met for allowing the incurrence of one dollar of additional Long-Term Indebtedness;

(n) Any Lien securing Non-Recourse Indebtedness;

(o) Liens, whether express or implied, on or in Property given, granted, bequeathed, or devised by the owner thereof existing at the time of such gift, grant, bequest, or devise, *provided* that (i) such Liens consist solely of restrictions on the use thereof or the income therefrom, or (ii) such Liens secure Indebtedness that is not assumed by any Member and such Liens attach solely to the Property (including the income therefrom) that is the subject of such gift, grant, bequest, or devise;

(p) Liens on moneys deposited by patients or others with a Member as security for, or as prepayment of, the cost of patient care, and any statutory or contractual rights of residents of life care, elderly housing, or similar facilities to endowment or similar funds deposited by or on behalf of such residents;

(q) Any security interest in any rebate, construction, project, depreciation reserve, debt service or interest reserve, debt service fund, or any similar fund established pursuant to the terms of any Supplemental Master Indenture, Related Bond Indenture, or Related Loan Document in favor of the Master Trustee, a Related Bond Trustee, a Related Issuer, or the holder of the Indebtedness issued pursuant to such Supplemental Master Indenture, Related Bond Indenture, or Related Loan Document, or the holder of any related Commitment Indebtedness;

(r) Any Lien on a Related Bond or evidence of Indebtedness of any Member acquired by or on behalf of any Member that secures Commitment Indebtedness and only Commitment Indebtedness;

(s) Any Lien on Property due to rights of third party payors for recoupment of excess reimbursement paid;

(t) Any Lien on the Property of a Member granted in favor of or securing Indebtedness to any other Member;

(u) Any Lien on Property if such Lien equally and ratably secures all of the Master Notes and only the Master Notes;

(v) Any Lien on Property deposited as collateral to secure obligations under Financial Products Agreements; and

(w) Any Lien on Excluded Property.

“*Person*” means any natural person, firm, joint venture, association, partnership, business trust, corporation, limited liability company, public body, agency, or political subdivision thereof, or any other similar entity.

“*Primary Obligor*” means the Person who is primarily obligated on an obligation that is guaranteed by another Person.

“*Prior Master Note*” means each of the Master Notes issued under the Original Master Indenture that is and remains Outstanding under the Master Indenture as of the Effective Date.

“*Pro Forma Debt Service Coverage Ratio*” means, for any historical period of time, the ratio consisting of a numerator equal to the amount determined by dividing Income Available for Debt Service for that period by the Maximum Annual Debt Service Requirement for the Long-Term Indebtedness then outstanding (other than any Long-Term Indebtedness being refunded with the Additional Indebtedness then proposed to be issued) and the Additional Indebtedness then proposed to be issued and a denominator of one; *provided* that when such calculation is being made with respect to the Obligated Group, Income Available for Debt Service and Maximum Annual Debt Service Requirement shall be determined only with respect to those Persons who are Members of the Obligated Group

at the time of such calculation (including any Person who shall become a Member of the Obligated Group prior to or upon the issuance of the proposed Additional Indebtedness).

“Projected Debt Service Coverage Ratio” means, for any future period, the ratio consisting of a numerator equal to the amount determined by dividing the projected Income Available for Debt Service for that period by the Maximum Annual Debt Service Requirement for the Long-Term Indebtedness expected to be outstanding during such period, and a denominator of one.

“Projected Rate” means, at the option of the Obligated Group Agent, (a) the interest rate that equals the most recently available Revenue Bond Index as published in The Bond Buyer (or such comparable index approved by the Obligated Group Agent if the Revenue Bond Index is no longer published), or (b) the projected yield at par of an obligation as set forth in the report of a Consultant (which Consultant and report, including without limitation the scope, form, substance and other aspects thereof, are acceptable to the Master Trustee and each Related Issuer). Such report shall state that in determining the Projected Rate such Consultant reviewed the yield evaluations at par of not less than three obligations selected by such Consultant, the interest on which is entitled to the exemption from federal income taxation afforded by Section 103(a) of the Code or any successor thereto (or, if it is not expected that it will be reasonably possible to issue such tax-exempt obligations, or if the interest on the Indebtedness for which the Projected Rate is being calculated is not entitled to such exemption, then obligations the interest on which is subject to federal income taxation), which obligations such Consultant states in its report are reasonable comparators for utilizing in developing such Projected Rate and which obligations: (i) were outstanding on a date selected by the Consultant, which date so selected occurred during the 90-day period preceding the date of the calculation utilizing the Projected Rate in question, (ii) to the extent practicable, are obligations of Persons engaged in operations similar to those of the Obligated Group and having a credit rating similar to that of the Obligated Group, (iii) are not entitled to the benefits of any credit enhancement, including without limitation any letter or line of credit or insurance policy, and (iv) to the extent practicable, have a remaining term and amortization schedule substantially the same as the obligation with respect to which such Projected Rate is being developed.

“Property” means any and all rights, titles, and interests in and to any and all property, whether real or personal, tangible (including cash) or intangible, wherever situated and whether now owned or hereafter acquired, other than Excluded Property.

“Property, Plant and Equipment” means all Property of each Member that is classified as property, plant and equipment under GAAP, and as to the Obligated Group, means such Property of the Members on combined basis in accordance with GAAP.

“Put Date” means (a) any date on which an owner of Put Indebtedness may elect to have such Put Indebtedness paid, purchased, or redeemed by or on behalf of the underlying obligor prior to its stated maturity date, or (b) any date on which Put Indebtedness is required to be paid, purchased, or redeemed from the owner by or on behalf of the underlying obligor (other than at the option of the owner) prior to its stated maturity date, other than pursuant to any mandatory sinking fund or other similar fund or other than by reason of acceleration upon the occurrence of an event of default.

“Put Indebtedness” means Indebtedness that is (a) payable or required to be purchased or redeemed by or on behalf of the underlying obligor, at the option of the owner thereof, prior to its stated maturity date or (b) payable or required to be purchased or redeemed from the owner by or on behalf of the underlying obligor (other than at the option of the owner) prior to its stated maturity date, other than pursuant to any mandatory sinking fund or other similar fund or other than by reason of acceleration upon the occurrence of an event of default.

“Qualified Investments” means investments in any of the following:

- (a) Government Obligations;
- (b) Direct obligations of any agency or instrumentality of the United States of America and obligations on which the timely payment of principal and interest is fully guaranteed by any such agency or instrumentality;

(c) Obligations issued by any state of the United States of America, or any political subdivision thereof, rated by at least two Rating Agencies in one of the three highest rating categories, and obligations fully secured by and payable solely from an escrow fund held by a trustee consisting of cash or Government Obligations;

(d) (i) Debt obligations of any United States corporation or trust, which obligations are rated by at least two Rating Agencies in one of the three highest rating categories, or (ii) commercial paper of any United States corporation or trust rated by at least two Rating Agencies in the highest rating category (without incorporating refinements or gradation of rating category by numerical modifier or otherwise);

(e) Certificates of deposit or time deposits of any bank, trust company, or savings and loan (including the Master Trustee and its affiliates) that are fully insured by a federally-sponsored deposit insurance program;

(f) Bankers acceptances of any bank (including the Master Trustee and its affiliates), which bank or its parent holding company's debt conforms to the rating requirements described in subsection (d) of this definition;

(g) Repurchase agreements, entered into in conformance with prevailing industry standards, of obligations listed in subsections (a) or (b) of this definition, delivered versus payment to the Related Bond Trustee or the Master Trustee, as the case may be, and continuously collateralized at not less than 102% of the principal amount, with counterparties having debt rated in conformance with the rating requirements described in subsection (d) of this definition;

(h) Investment agreements of any corporation, which agreements or the corporation's long term debt obligations are rated by at least two Rating Agencies in one of the three highest rating categories;

(i) Shares of a money market fund or commingled trust, the investments of such fund or trust are restricted to Qualified Investments, including those for which the Master Trustee or an affiliate performs services for a fee, whether as custodian, transfer agent, investment advisor or otherwise; and

(j) Such other investments that at the time of the acquisition thereof shall be listed as permissible investments for trustee-held funds in a Related Bond Indenture and which other investments are made with respect to or in connection with such Related Bonds.

"Qualifying Master Note holder" means any Related Issuer, any Related Bond Trustee, or the holder or holders of 10% or more in aggregate principal amount of the outstanding Master Notes of any series.

"Rating Agency" means Moody's, S&P or Fitch.

"Rating Category" means a generic securities rating category, which, as used herein, includes refinement or gradation of such rating level by a rating modifier (such as "+" or "-") but without regard to refinement or gradation by outlook.

"Related Bond Indenture" means any indenture, bond resolution, or similar instrument pursuant to which any series of Related Bonds is issued.

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

"Related Bonds" means (i) any revenue bonds or similar obligations issued by a Related Issuer, the proceeds of which are loaned or otherwise made available to any Member in consideration, whether in whole or in part, of the execution, authentication, and delivery of a Master Note or Master Notes to such governmental issuer, and (ii) revenue bonds or other obligations directly issued by a Member and secured by a Master Note.

“Related Issuer” means the issuer of a series of Related Bonds that is any state, commonwealth, or territory of the United States, or any municipal corporation or other political subdivision formed under the laws thereof, or any constituted authority, agency, or instrumentality of any of the foregoing empowered to issue obligations on behalf thereof.

“Related Loan Document” means any document or documents (including without limitation any lease, sublease, or installment sales contract) pursuant to which any proceeds of any Related Bonds are advanced to any Member (or any Property financed or refinanced with such proceeds is leased, subleased, or sold to a Member).

“Responsible Officer” means, when used with respect to the Master Trustee, any vice president, assistant vice president, senior associate, associate, or other officer of the Master Trustee within the corporate trust office designated by the Master Trustee in accordance with the Master Indenture (or any successor corporate trust office) customarily performing functions similar to those performed by the persons who at the time shall be such officers, respectively, or to whom any corporate trust matter is referred at the designated corporate trust office because of such person’s knowledge of and familiarity with the particular subject and having direct responsibility for the administration of the Master Indenture.

“Revenues” means, for any period, (a) in the case of any Person providing health care services, the sum of (i) net patient service revenues, plus (ii) other operating revenues, plus (iii) non-operating revenues (but excluding (A) Contributions, (B) income derived from the sale of assets not in the ordinary course of business, (C) any gain from the termination of pension plans, (D) other gains that are Extraordinary Items, (E) earnings that constitute Capitalized Interest, and (F) earnings on amounts that are irrevocably deposited in escrow to pay the principal of or interest on Indebtedness), plus (iv) Unrestricted Contributions, all as determined in accordance with GAAP, and (b) in the case of any other Person, gross revenues less sale discounts and sale returns and allowances, as determined in accordance with GAAP; but excluding for purposes of both clause (a) and (b) above: (1) any gains on the sale or other disposition of investments or fixed or capital assets not in the ordinary course and any gains on the extinguishment of debt, (2) earnings resulting from any reappraisal, revaluation or write-up of assets, (3) gains or changes in the valuation of any Financial Products Agreement or similar contract, (4) gains or changes in the valuation of investment securities other than as the result of the sale, transfer or other disposition of such investment security, and (5) any nonrecurring Extraordinary Items that do not involve the receipt of assets; provided, however, that if such calculation is being made with respect to the Obligated Group, such calculation shall be made in such a manner so as to exclude any revenues attributable to transactions between any Member and any other Member; provided, further, that the provisions of (1) through (5) notwithstanding, no amount shall be added to revenues more than once. “Revenues” of the Obligated Group, for the purposes of the various calculations required to be made under the Master Indenture, shall not include the above items of a person whose Indebtedness is guaranteed by a Member of the Obligated Group.

“Short-Term”, when used in connection with Indebtedness, means having an original maturity less than or equal to one year and not renewable at the option of the debtor for a term greater than one year beyond the date of original issuance.

“Subordinated Indebtedness” means Indebtedness that is expressly subordinate to the Master Notes and evidenced by an instrument containing the subordination provisions prescribed by the Master Indenture.

“Supplemental Master Indenture” means an indenture amending or supplementing the Master Indenture entered into pursuant to the terms of the Master Indenture.

“Standard & Poor’s” means Standard & Poor’s Ratings Services, a division of McGraw-Hill Companies, Inc., its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, “Standard & Poor’s” shall be deemed to refer to any other nationally recognized securities rating agency designated by the Corporation by notice to the Master Trustee.

“System Financial Statements” means the consolidated financial statement prepared in accordance with GAAP, including financial information of the Obligated Group Members and of any Affiliate the financial information of which is required by GAAP to be consolidated with the financial information of the Obligated Group Members.

“*System Revenues*” mean the total revenues reported in the System Financial Statements.

“*Tax-Exempt Organization*” means a Person organized under the laws of the United States of America or any state thereof that is an organization described in Section 501(c)(3) of the Code, that is exempt from federal income taxes under Section 501(a) of the Code, and that is not a “*private foundation*” within the meaning of Section 509(a) of the Code, or corresponding provisions of federal income tax laws from time to time in effect.

“*United States Government Obligations*” means non-callable direct obligations of, or obligations the timely payment of the principal of and interest on which is fully guaranteed by, the United States of America including without limitation obligations issued or held in book-entry form.

“*Unrestricted Contributions*” means Contributions that are (a) not restricted in any way that would prevent their application to the payment of debt service on Indebtedness of the Person receiving such Contributions, or (b) released from restrictions and may be used for operations or for purchase of property and equipment, as determined in accordance with GAAP.

“*Unrestricted Net Assets*” means the unrestricted fund balance of any non-profit corporation, the shareholders’ equity of any for-profit corporation, or the net worth of any other Person, if such Person is not a corporation, as shall be determined in accordance with generally accepted accounting principles.

“*Written Request*” means with reference to a Related Issuer, a request in writing signed by the Chairman, Vice-Chairman, Mayor, Clerk, President, Vice President, Executive Director, Associate Executive Director, Secretary, or Assistant Secretary of the Related Issuer and with reference to any Member means a request in writing signed by the chair of the Governing Body, chief executive officer, chief financial officer, or any other officers designated by the Related Issuer or such Member, as the case may be.

Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Unless the context otherwise indicates or requires, words importing the singular number shall include the plural and vice versa. All accounting terms not otherwise defined herein have the meanings assigned to them in accordance with GAAP. Headings of articles and sections herein and the table of contents hereof are solely for the convenience of reference, do not constitute a part hereof, and shall not affect the meaning, construction or effect hereof.

Master Notes

Master Notes may be issued to evidence or secure any type of Indebtedness (other than Non-Recourse Indebtedness), any repayment obligation under Financial Products Agreement, or a reimbursement obligation arising as a result of the issuance of a surety bond or other instrument guaranteeing or in effect guaranteeing any payments under a Financial Products Agreement. The total principal amount of Master Notes, the number of Master Notes and the series of Master Notes that may be created under the Master Indenture are not limited. Each series of Master Notes, other than the Prior Master Notes, shall be issued pursuant to a Supplemental Master Indenture.

The principal of, premium, if any, and interest on, and/or payment obligations related to Financial Products Agreements secured by, the Master Notes is payable in any currency of the United States of America at the designated corporate trust office of the Master Trustee or at the office of any alternate Paying Agent. Except with respect to Master Notes directly paid, the Members have agreed to deposit with the Master Trustee prior to each due date of the principal of, premium, if any, or interest on any of the Master Notes a sum sufficient to pay such principal, premium, if any, or interest so becoming due.

No Master Note shall be valid or obligatory for any purpose or entitled to any security or benefit under the Master Indenture unless and it has been authenticated by the Master Trustee.

Any one or more series of Master Notes issued under the Master Indenture may, provided that any Liens created in connection therewith constitute Permitted Encumbrances, be secured by security that need not extend to any other Indebtedness (including any other Master Notes or series of Master Notes).

Any Financial Products Agreement that is authenticated as a Master Note under the Master Indenture or any Master Note issued to evidence a Member's obligations under a Financial Products Agreement shall be equally and ratably secured by any lien created under the Master Indenture with all other Master Notes except as otherwise provided in the Master Indenture; *provided, however*, that any such Master Note shall be deemed outstanding under the Master Indenture solely for the purpose of enforcing any right or remedy that is available to a holder of a Master Note upon an event of default or receiving payment under the Master Indenture and shall not be entitled to exercise any other rights under the Master Indenture.

Each Member, by becoming a Member of the Obligated Group, irrevocably appoints the Obligated Group Agent as its agent and attorney-in-fact and grants to the Obligated Group Agent (a) full and exclusive power to execute Supplemental Master Indentures authorizing the issuance of Master Notes or series of Master Notes, to execute and deliver Master Notes on behalf of such Member, to execute and deliver Related Loan Documents and to execute and deliver any other documents or instruments relating to or securing any borrowings, indebtedness, obligations or the like, including without limitation notes, bonds, debentures, Capitalized Leases, Financial Products Agreements, mortgages, deeds of trust, security agreements, and financing statements, (b) full power to prepare, or authorize the preparation of, any and all documents, certificates or disclosure materials reasonably and ordinarily prepared in connection with the issuance of Master Notes under the Master Indenture, or Related Bonds associated therewith, or Financial Products Agreements and to execute and deliver such items on behalf of such Member to the appropriate parties in connection therewith and (c) full authority to exercise all other powers granted under the Master Indenture to the Obligated Group Agent.

Notwithstanding anything in the Master Indenture to the contrary, each then-Outstanding Master Note may, upon the request of the Obligated Group Agent (and without the consent of any holder of Master Note) and the satisfaction of all terms and conditions described below, be substituted with an original replacement master note or obligation or similar obligations (collectively, a "*Replacement Master Note*") issued by an obligated issuer or group of obligated issuers or other obligated entities (collectively, the "*Replacement Obligated Group*") under and pursuant to and secured by a master trust indenture or another agreement or agreements pursuant to which entities may become jointly and severally liable on specified obligations and which provide that financial and operational covenants be measured on the basis of the results of the entities that are party to such agreement or agreements (the "*Replacement Master Indenture*") executed by the Replacement Obligated Group and an independent corporate trustee (the "*Replacement Master Trustee*"), upon receipt by the Master Trustee of the following:

(a) written confirmation from each Rating Agency then rating any series of Related Bonds that, upon execution of the Replacement Master Indenture and delivery of the Replacement Master Note, the Rating Category for such series of Related Bonds (without regard to any credit enhancement) as compared to the Rating Category in effect immediately prior thereto will not be decreased or withdrawn;

(b) an Officer's Certificate certifying that (i) after giving effect to each such Replacement Master Note and assuming that the Replacement Obligated Group constituted the Obligated Group under the original Master Indenture, the Replacement Obligated Group could demonstrate that the conditions described below in subsection (a) of "Additional Indebtedness" of the original Master Indenture for allowing the incurrence of one dollar of additional Long-Term Indebtedness are met, and (ii) the Replacement Master Indenture contains a pledge of Gross Revenues substantially similar to the pledge of Gross Revenues under the original Master Indenture as of the date thereof; provided, however, that in the event that the Master Trustee receives written confirmation from each Rating Agency then rating any series of Related Bonds that, upon consummation of the proposed transaction, the ratings on each such series of Related Bonds (without regard to any credit enhancement) by each Rating Agency then rating each series of Related Bonds will be no less than "A3" or "A-" or its equivalent as a result of the execution of the Replacement Master Indenture and delivery of the Replacement Master Note, then a Gross Revenues pledge shall not be necessary;

(c) an original executed counterpart of the Replacement Master Indenture;

(d) an original Replacement Master Note for each then-Outstanding Master Note issued by or on behalf of the Replacement Obligated Group under and pursuant to and secured by the Replacement Master Indenture, which Replacement Master Note has been duly authenticated by the Replacement Master Trustee under the terms of the Replacement Master Indenture;

(e) an Opinion of Counsel addressed to the Master Trustee to the effect that: (i) the Replacement Master Note has been validly issued under the Replacement Master Indenture and constitutes a valid and binding obligation of the Corporation (or as applicable, the Replacement Obligated Group and each other member of the Replacement Obligated Group that is jointly and severally liable under the Replacement Master Indenture), (ii) all requirements and conditions to the issuance of the Replacement Master Note set forth in the Replacement Master Indenture have been complied with and satisfied, and (iii) registration of the Replacement Master Note under the Securities Act of 1933, as amended, is not required or, if registration is required, the Replacement Master Note has been so registered; and

(f) an Opinion of Counsel to the effect that the surrender of each Master Note and the acceptance of each Replacement Master Note will not adversely affect (i) the validity of any series of Related Bonds and (ii) if applicable with respect to any series of Related Bonds, any exemption for the purposes of federal income taxation to which interest on such series of Related Bonds would otherwise be entitled.

Upon receipt of the items described above, the Master Trustee will mail to each holder of the Master Notes notice that the requirements described above have been satisfied and that each Master Note has been replaced with a Replacement Master Note, and direct such holder to surrender the applicable Master Note to the Master Trustee for cancellation in exchange for a Replacement Master Note. Upon receipt of such notice from the Master Trustee, the holders of all Master Notes are required to surrender the Master Notes to the Master Trustee for cancellation in exchange for a Replacement Master Note. Following the surrender of the Master Notes, and satisfaction of the conditions set forth above in the Master Indenture, and receipt of security and indemnity satisfactory to the Master Trustee, the Master Trustee shall cancel the Master Notes and the Master Indenture shall terminate. Then and thereafter, holders of Master Notes shall no longer be entitled to any rights and remedies under the Master Indenture but shall have all of the rights and remedies granted under the Replacement Master Indenture. Upon the release of the Master Indenture, the Master Trustee shall provide written notice thereof to the holders of all Master Notes.

Prepayment or Redemption of Master Notes

Master Notes are subject to optional and mandatory prepayment or redemption in whole or in part and may be prepaid or redeemed prior to maturity as provided in the Master Indenture or the Supplemental Master Indenture pertaining to the series of Master Notes to be prepaid or redeemed, but not otherwise. Further, Master Notes are callable for redemption, in whole or in part, prior to maturity in the event of damage to or destruction of the Facilities of any Member or any part thereof or condemnation (or sale consummated under threat of condemnation) of the Facilities of any Member or any part thereof in excess of 10% of the Book Value of the Property, Plant and Equipment of the Obligated Group, but only to the extent provided in the Master Indenture.

Payment of Master Notes and Security Therefor

Each Member unconditionally and irrevocably (subject to the right of such Member to cease its status as a Member of the Obligated Group), jointly and severally has covenanted that it will (a) promptly pay the principal of, premium, if any, and interest on every Master Note issued under the Master Indenture and/or payments related to Financial Products Agreements secured by any Master Note at the place, on the dates and in the manner provided in the Master Indenture and in the Master Notes according to the true intent and meaning thereof, and (b) jointly and severally, make payments upon each Master Note and be liable therefor at the times and in the amounts (including principal, interest and premium, if any) equal to the amounts to be paid as interest, principal at maturity or by mandatory sinking fund redemption, or premium, if any, upon any Related Bonds from time to time outstanding.

The trust estate created under the Master Indenture to secure the payment of the Master Notes consists of (a) a pledge of the Gross Revenues of each Member of the Obligated Group and (b) any and all other Property that

may from time to time be conveyed, mortgaged, pledged, assigned or transferred as additional security by a Member to the Master Trustee.

General Covenants of the Obligated Group

Each Member of the Obligated Group has covenanted to (a) preserve its corporate or other separate legal existence, (b) preserve all of its rights and licenses to the extent necessary or desirable in the reasonable judgment of such Member's Governing Board in the operation of its business and affairs, (c) be and remain qualified to do business and conduct its affairs in each jurisdiction where its ownership of Property or the conduct of its business or affairs requires such qualification; (d) at all times use its Facilities only in furtherance of its lawful corporate purposes and cause its business to be carried on and conducted and its Property and each part thereof to be maintained, preserved, and kept in good repair, working order, and condition and in as safe condition as its operations will permit, and make all necessary and proper repairs, renewals, and replacements thereof so that its operations and business shall at all times be conducted in an efficient, proper, and advantageous manner; (e) pay or cause to be paid: all taxes, levies, assessments, and charges on account of the use, occupancy, or operation of its Property, and all taxes, assessments, and impositions, general and special, ordinary and extraordinary, of every name and kind, upon all or any part of its Property, or its interest or the interest of any Related Issuer or either of them in and to its Property, or upon its interest or the interest of any Related Issuer or the interest of either of them in the Master Indenture, or the amounts payable under the Master Indenture or under the Master Notes; (f) promptly comply with all present and future material laws, ordinances, orders, decrees, decisions, rules, regulations, and requirements of every duly constituted governmental authority, commission, and court that may be applicable to it or any of its affairs, business, operations, and Property, or to the use or manner of use, occupancy, or condition of any of its Property; (g) promptly pay or otherwise satisfy and discharge all of its obligations and Indebtedness and all demands and claims against it as and when the same become due and payable that if not so paid, satisfied, or discharged would constitute a default or an event of default under the Master Indenture; (h) comply with all terms, covenants, and provisions of any Liens at such time existing upon its Property or any part thereof or securing any of its Indebtedness; (i) procure and maintain all necessary licenses and permits and use its best efforts to maintain the status of its health care Facilities as providers of health care services eligible for payment under those third-party payment programs that its Governing Body determines are appropriate; (j) in the case of the Corporation and each Member that is a Tax-Exempt Organization at the time it becomes a Member, (i) to take no action or suffer any action to be taken by others, that would result in the alteration or loss of its status as a Tax-Exempt Organization to the extent such action could result in any such Related Bond being declared invalid or result in the interest on any Related Bond, that is otherwise exempt from federal or state income taxation, becoming subject to such taxation, and (ii) not distribute any of its revenues, income or profits, whether realized or unrealized, to any of its members, directors or officers, or allow the same to inure to the benefit of any private person, association, or corporation, other than for the lawful corporate purposes of such Member, as the case may be; and (k) operate its Facilities so as not to discriminate on a legally impermissible basis.

Any Member may cease to be a non-profit corporation, take actions that could result in the alteration or loss of its status as a Tax-Exempt Organization or distribute its revenues, income or profits to any of its members, directors or officers or allow the same to inure to the benefit of a private person, association or corporation if (A) there is delivered to the Master Trustee an opinion of Independent Counsel to the effect that such actions would not adversely affect the validity of any Related Bond, the exemption from federal or state income taxation of interest payable on any Related Bond otherwise entitled to such exemption, or adversely affect the enforceability in accordance with its terms of the Master Indenture against any Member, and (B) after such action the Obligated Group could meet the conditions described in the Master Indenture for the incurrence of one dollar of Additional Long-Term Indebtedness.

No Member is required to pay any tax, levy, charge, fee, rate, assessment or imposition, to remove any Lien, to pay or otherwise satisfy and discharge its obligations, Indebtedness (other than Indebtedness evidenced by Master Notes), demands, and claims against it, or to comply with any Lien, law, ordinance, rule, order, decree, decision, regulation, or requirement so long as such Member is contesting, in good faith the amount or validity thereof, in an appropriate manner or by appropriate proceedings that operate during the pendency thereof to prevent the collection of or other realization upon the tax, levy, charge, fee, rate, assessment, imposition, obligation, Indebtedness, demand, claim, or Lien so contested, and the sale, forfeiture, or loss of its Property or any part thereof, *provided* that no such contest may subject any Related Issuer, any Master Note holder, or the Master Trustee to the risk of any liability and the Members have agreed to save all Related Issuers, all Related Bond Trustees, all Master Note holders, and the

Master Trustee harmless from and against all losses, judgments, decrees, and costs (including attorneys' fees and expenses in connection therewith) as a result of such contest.

Each Member has waived, to the extent permitted by law, any right that it may have to contest any Master Note issued for the benefit of another Member or any Master Note issued to secure or in connection with Related Bonds.

Liens on Property

Each Member has covenanted not to create or suffer any Liens on its Property that are not Permitted Encumbrances and, at its cost and expense, to promptly discharge or terminate all such Liens.

Additional Indebtedness

So long as any Master Notes are outstanding, the Members of the Obligated Group have covenanted not to incur any Additional Indebtedness (whether or not incurred through the issuance of Master Notes) except in compliance with the following:

(a) Long-Term Indebtedness may be incurred if the Obligated Group Agent (i) certifies that the Pro Forma Debt Service Coverage Ratio of the Obligated Group for the most recent Fiscal Year preceding the date of delivery of the report for which Audited Financial Statements are available was not less than 1.20:1; or (ii) provides a Consultant's report to the effect that the Projected Debt Service Coverage Ratio of the Obligated Group for the next Fiscal Year or, if such Indebtedness is being incurred in connection with the financing of Facilities, the Fiscal Year succeeding the projected completion date of such Facilities, is not less than 1.20:1, *provided* that the foregoing requirements are to be deemed satisfied if (I) a Consultant's report is provided that contains the opinion of such Consultant that applicable laws or regulations have prevented or will prevent the Obligated Group from generating the amount of Income Available for Debt Service required to be generated by this paragraph as a prerequisite to the issuance of Long-Term Indebtedness, (II) the Consultant report indicates that the rates charged or to be charged by the Obligated Group are or will be such that, in the opinion of the Consultant, the Obligated Group has generated or will generate the maximum amount of Revenues reasonably practicable given such laws or regulations, and (III) the Maximum Annual Debt Service Coverage Ratio of the Obligated Group and the Projected Debt Service Coverage Ratio of the Obligated Group are at least 1.00:1.

(b) Completion Indebtedness may be incurred if: (i) the Member for whose benefit such Indebtedness is being issued certifies that at the time the original Indebtedness for the Facilities to be completed was incurred, such Member had reason to believe that the proceeds of such Indebtedness together with other moneys then expected to be available would provide sufficient moneys for the completion of such Facilities, (ii) a statement of an Independent Architect is provided setting forth the amount estimated to be needed to complete the Facilities, and (iii) the Member further certifies that the proceeds of such Completion Indebtedness, together with a reasonable estimate of other available funds, will be in an amount not less than the amount set forth in the aforementioned statement of an Independent Architect.

(c) Long-Term Indebtedness may be incurred for the purpose of refunding (whether in advance or otherwise, including without limitation refunding through the issuance of Crossover Refunding Indebtedness) any outstanding Long-Term Indebtedness if the Obligated Group Agent certifies that, taking into account the issuance of the proposed Long-Term Indebtedness and the application of the proceeds thereof and any other available funds, the Maximum Annual Debt Service Requirement of the Obligated Group will not be increased by more than 20%.

(d) Short-Term Indebtedness (excluding Short-Term Indebtedness incurred in accordance with subsection (e) below) may be incurred in a total principal amount that at the time incurred does not, together with the principal amount of all other such Short-Term Indebtedness of the Obligated Group then outstanding, under this subsection (d), exceed 20% of the Revenues of the Obligated Group for the most recent Fiscal Year for which Audited Financial Statements are available.

(e) Short-Term Indebtedness may be incurred if: (i) there is in effect at the time the Short-Term Indebtedness provided for by this subsection (e) is incurred a binding commitment by a financial institution to provide financing sufficient to pay such Short-Term Indebtedness at its maturity; and (ii) the conditions for incurrence of Long-Term Indebtedness described in subsection (a) are met when it is assumed that the Short-Term Indebtedness to be incurred is Long-Term Indebtedness bearing interest at the Projected Rate and is payable on a level annual debt service basis over a 30-year period.

(f) Non-Recourse Indebtedness may be incurred without limit or conditions.

(g) Balloon Indebtedness may be incurred if the conditions for incurrence of Long-Term Indebtedness described in subsection (a) are met with respect to such Balloon Indebtedness when it is assumed that (i) that the principal balance of such Balloon Indebtedness on the date of determination is refinanced on the date of determination over the Assumed Term, (ii) that such principal balance will bear interest at the Projected Rate, and (iii) that annual debt service on such Balloon Indebtedness after the date of determination will be payable in equal annual installments sufficient to pay both principal and interest.

(h) Put Indebtedness may be incurred the conditions for incurrence of Long-Term Indebtedness described in subsection (a) are met with respect to such Put Indebtedness when it is assumed that (i) the principal balance of such Put Indebtedness on the date of determination is refinanced on the date of determination over the Assumed Term, (ii) that such principal balance will bear interest at the Projected Rate, and (iii) that annual debt service on such Put Indebtedness after the date of determination will be payable in equal annual installments sufficient to pay both principal and interest.

(i) Indebtedness may be incurred in the form of Guaranties by any Member of the payment by another Person of a sum certain; *provided* that the conditions for incurrence of Long-Term Indebtedness described in subsection (a) are met if it is assumed that the Indebtedness guaranteed is Long-Term Indebtedness of such Member, but only to the extent of such Member's Exposure on Guaranteed Debt.

(j) Indebtedness may be incurred in the form of liabilities for contributions to self-insurance or shared or pooled-risk insurance programs required or permitted to be maintained under the Master Indenture without limit or conditions.

(k) Commitment Indebtedness may be incurred without limit or conditions.

(l) Indebtedness may be incurred without limit or conditions in the form of accounts payable or other Indebtedness not incurred or assumed primarily to assure the repayment of borrowed money, which Indebtedness is incurred in the ordinary course of business. Each Member has covenanted that such Indebtedness will not be allowed to become overdue for a period in excess of that which is ordinary for similar institutions without being contested in good faith and by appropriate proceedings.

(m) Indebtedness may be incurred in a principal amount that, at the time incurred, together with the aggregate principal amount of all other Indebtedness then outstanding that was issued pursuant to this subsection (m) and pursuant to subsection (e) above, and that has not been subsequently reclassified as having been issued under another subsection, does not exceed 20% of the Revenues of the Obligated Group for the most recent Fiscal Year for which Audited Financial Statements are available.

(n) Indebtedness may be incurred in connection with a sale of accounts receivable with or without recourse on commercially reasonable terms by any Member consisting of an obligation to repurchase all or a portion of such accounts receivable upon certain conditions, *provided* that the principal amount of such Indebtedness may not exceed the aggregate face amount of such accounts receivable.

(o) Subordinated Indebtedness may be incurred without limit or conditions.

(p) Adjustable Indebtedness may be incurred if the conditions for incurrence of Long-Term Indebtedness described in subsection (a) are met when it is assumed such Indebtedness bears interest at the

Projected Rate and is amortized on a level debt service basis over a term equal to the remaining term of such Indebtedness.

Debt Service Coverage and Calculation of Debt Service

The following provisions apply to the various calculations of the amount of Indebtedness of a Person, the amortization schedule of such Indebtedness and the debt service payable with respect to such Indebtedness as required under the provisions of the Master Indenture

(a) In calculating the Debt Service Requirement for any completed period, the principal amount of any Indebtedness included in such calculation that is paid during such period shall be excluded to the extent such principal amount is paid from the proceeds of other Indebtedness incurred in compliance with the provisions of the Master Indenture.

(b) In determining the amount of debt service payable on Indebtedness for which the rate of interest for any future period is expressed or calculated as a varying rate per annum, a formula rate, or a fixed rate per annum based on a varying index, then for the purpose of making such determination of debt service, interest on such Indebtedness for such period (the “*Determination Period*”) shall be computed by assuming that the rate of interest applicable to the Determination Period is equal to the average of the rate of interest that was in effect on the last date of each of any six consecutive calendar months occurring in the twelve full calendar months immediately preceding the month in which such calculation is made; *provided* that if the index or other basis for calculating such interest was not in existence for at least six full calendar months next preceding the date of calculation, the rate of interest for such portion of such period shall be deemed to be the rate of interest borne by such Indebtedness when issued.

(c) Balloon Indebtedness shall be deemed to be payable in accordance with the assumptions set forth in subsection (g) under “Additional Indebtedness.”

(d) With respect to Put Indebtedness: (i) such Indebtedness shall be deemed to be payable in accordance with the assumptions set forth in subsection (h) under “Additional Indebtedness; and (ii) if the option of the holder to require that such Indebtedness be paid, purchased, or redeemed prior to its stated maturity date has expired or lapsed as of the date of calculation, such Put Indebtedness shall be deemed payable in accordance with its terms.

(e) The Debt Service Requirement with respect to any Guaranty shall be determined in accordance with the assumptions set forth in the definition of Exposure on Guaranteed Debt.

(f) No debt service shall be deemed payable: (i) with respect to Commitment Indebtedness until such time as funding occurs under the commitment giving rise to such Commitment Indebtedness; or (ii) upon the exercise by a holder of Adjustable Indebtedness of the option to tender such Indebtedness for purchase.

(g) The Capitalized Rentals under a Capital Lease at the time of any calculation shall be deemed to be the principal payable thereon.

(h) No Additional Indebtedness shall be deemed to arise when: (i) any funding occurs under a commitment giving rise to Commitment Indebtedness or any such commitment is renewed upon terms that provide for substantially the same terms of repayment of amounts disbursed pursuant to such commitment as obtained prior to such renewal; (ii) Indebtedness that bears interest at a variable rate of interest is converted to Indebtedness that bears interest at a fixed rate or the method of computing the variable rate on such Indebtedness is changed; (iii) the terms upon which Put Indebtedness may be or is required to be tendered for purchase are changed, if such conversion or change is in accordance with the provisions applicable to such variable rate Indebtedness or Put Indebtedness in effect immediately prior to such conversion or change; or (iv) a Master Note is issued to secure Indebtedness permitted to be incurred under the Master Indenture.

(i) Any portion of any Indebtedness of any Member for which a Financial Products Agreement has been obtained by such Member shall be deemed to bear interest for the period of time that such Financial Products Agreement is in effect at a net rate that takes into account the interest payments made by such Member on such Indebtedness and the payments made or received by such Member on such Financial Products Agreement. In addition, so long as any Indebtedness is deemed to bear interest at a rate taking into account a Financial Products Agreement, any payments made by a Member on such Financial Products Agreement shall be excluded from Expenses and any payments received by a Member on such Financial Products Agreement shall be excluded from Revenues, in each case, for all purposes of the Master Indenture.

(j) Indebtedness incurred pursuant to one provision of the Master Indenture may be reclassified as having been incurred under another provision of the Master Indenture, upon certification of compliance with such other provision on the assumption that such Indebtedness is being reissued on the date of certification.

(k) In the case of any Long-Term Indebtedness, the amount of principal and interest payable during each Fiscal Year on such Long-Term Indebtedness after the date of determination may be projected assuming (i) that the principal balance of such Long-Term Indebtedness on the date of determination will be refinanced, (ii) that such principal will be payable over the Assumed Term, (iii) that such principal balance will bear interest at the Projected Rate, and (iv) that debt service on such Long-Term Indebtedness will be payable in equal annual installments sufficient to pay both principal and interest over the Assumed Term.

Rates and Charges

Each Member covenants and agrees to operate all of its Facilities on a revenue-producing basis and to charge such fees and rates for its Facilities and services and to exercise such skill and diligence as to provide income from its Property, together with other available funds, sufficient to pay promptly all principal and interest on its Indebtedness, all expenses of operation, maintenance and repair of its Property, and all other payments required to be made by it under the Master Indenture to the extent permitted by law, but which in any event shall be sufficient to produce Income Available for Debt Service of the Obligated Group at least equal to 110% of the Maximum Annual Debt Service Requirement of the Obligated Group. Each Member further covenants and agrees that it will from time to time, as often as necessary and to the extent permitted by law, revise its rates, fees, and charges in such manner as may be necessary or proper to comply with the provisions of this Section.

If in any Fiscal Year the Income Available for Debt Service of the Obligated Group is less than 110% of the Maximum Annual Debt Service Requirement of the Obligated Group, except in certain circumstances as set forth in the Master Indenture, including if such failure is a direct or indirect result of a Force Majeure Event, the Master Trustee shall require the Obligated Group at its expense to retain a Consultant to make recommendations with respect to the rates, fees and charges of the Members and the Obligated Group's methods of operation and other factors affecting its financial condition in order to increase such Income Available for Debt Service to at least 110% of the Maximum Annual Debt Service Requirement of the Obligated Group. A copy of the Consultant's report and recommendations, if any, shall be filed with each Member, the Master Trustee, each Related Bond Trustee, each Related Issuer, and each Qualifying Master Note holder. Each Member shall follow each recommendation of the Consultant applicable to it to the extent feasible (as determined by the Governing Body of such Member and each Related Issuer) and permitted by law.

The foregoing provisions notwithstanding, if in any Fiscal Year the Income Available for Debt Service of the Obligated Group is less than 110% of the Maximum Annual Debt Service Requirement of the Obligated Group, the Master Trustee shall not be obligated to require the Obligated Group to retain a Consultant to make such recommendations if: (a) there is filed with the Master Trustee (who shall provide a copy to each Qualifying Master Note holder, Related Bond Trustee, and Related Issuer) a written report addressed to them of a Consultant (which Consultant and report, including without limitation the scope, form, substance, and other aspects of such report, are acceptable to the Master Trustee) that contains an opinion of such Consultant that applicable laws or regulations have prevented the Obligated Group from generating Income Available for Debt Service during such Fiscal Year in an amount sufficient to equal or exceed 110% of its Maximum Annual Debt Service Requirement and, if requested by the Master Trustee, such report is accompanied by a concurring opinion of Independent Counsel (which Counsel and opinion, including without limitation the scope, form, substance, and other aspects thereof, are acceptable to the Master

Trustee) as to any conclusions of law supporting the opinion of such Consultant, (b) the report of such Consultant indicates that the rates charged by the Obligated Group are such that, in the opinion of the Consultant, the Obligated Group has generated the maximum amount of Revenues reasonably practicable given such laws or regulations, and (c) the Income Available for Debt Service of the Obligated Group for such Fiscal Year was at least 100% of the Maximum Annual Debt Service Requirement of the Obligated Group. The Obligated Group shall not be required to cause the Consultant's report referred to in the preceding sentence to be prepared more frequently than once every two Fiscal Years if at the end of the first of such two Fiscal Years the Obligated Group provides to the Master Trustee (who shall provide a copy to each Qualifying Master Note holder, Related Bond Trustee, and Related Issuer) an opinion of Independent Counsel (which Counsel and opinion, including without limitation the scope, form, substance, and other aspects thereof, are acceptable to the Master Trustee) to the effect that the applicable laws and regulations underlying the Consultant's report delivered in respect of the previous Fiscal Year have not changed in any material way.

An Event of Default shall exist if, for two consecutive Fiscal Years commencing with the two consecutive Fiscal Years ending December 31, 2024 and December 31, 2025, the Income Available for Debt Service of the Obligated Group is less than 100% of the Maximum Annual Debt Service Requirement of the Obligated Group.

Nothing in this Section shall be construed to prohibit any Member from serving indigent patients to the extent required for such Member to continue its qualification as a Tax-Exempt Organization (or to such further extent determined appropriate or desirable by its Governing Body) or from serving any other class or classes of patients without charge or at reduced rates so long as such service does not prevent the Obligated Group from satisfying the other requirements of this Section.

Sale, Lease or Other Disposition of Property

Each Member has agreed that it will not, in any consecutive 12-month period, sell, lease, or otherwise dispose (including without limitation any involuntary disposition) of its Property, except for sales, leases or other dispositions made:

- (a) In the ordinary course of business;
- (b) In return for other Property of equal or greater value and usefulness;
- (c) Of Property that has, or within the next succeeding 24 calendar months is reasonably expected to, become inadequate, obsolete, worn out, unsuitable, unprofitable, undesirable, or unnecessary and the sale, lease, or other disposition thereof will not impair the structural soundness, efficiency, or economic value of the remaining Property;
- (d) To another Member;
- (e) Upon fair and reasonable terms no less favorable to the Member than would obtain in a comparable arm's-length transaction, provided that the proceeds are retained by the transferor and are applied to acquire Property or otherwise applied or transferred in accordance with the Master Indenture;
- (f) Of Property that consists solely of (i) assets that are specifically restricted by the donor or grantor to a particular purpose that is inconsistent with their use for payment on the Master Notes and/or (ii) Excluded Property;
- (g) Upon (i) certification by Obligated Group Agent that, for the most recent Fiscal Year immediately preceding the proposed disposition for which Audited Financial Statements have been reported, but taking into account such disposition as if it had occurred at the beginning of such Fiscal Year, either (a) the Maximum Annual Debt Service Coverage Ratio of the Obligated Group would not have been reduced to less than 1.50:1, or (b) the Maximum Annual Debt Service Coverage Ratio of the Obligated Group would not have been reduced by more than 20% and would not have been reduced to less than 1.20:1, or (ii) the report of a Consultant stating that the Projected Debt Service Coverage Ratio of the Obligated Group for each

of the two full Fiscal Years immediately following the date of such report, taking into account such disposition, either (a) would not be less than 1.50:1 or (b) would not be reduced more than 20% from the Projected Debt Service Coverage Ratio of the Obligated Group that would have been estimated or forecasted if it were assumed such disposition would not occur and would not be reduced to less than 1.20:1;

(h) Of Property, the Book Value (or, at the option of the Obligated Group Agent, the Current Value) of which, together with all other Property sold, leased, donated or otherwise disposed of pursuant to this subsection (h) during the current Fiscal Year, does not exceed 20% of the value of all Property of the Obligated Group as of the end of the most recent Fiscal Year.

Each Member has further agreed that it will not sell, lease, donate, or otherwise dispose of Property (a) that could reasonably be expected to result in a reduction of the Maximum Annual Debt Service Coverage Ratio for the Obligated Group to less than 110%. Except as otherwise permitted by the Master Indenture or required by law, no Member may enter into any transaction with any Affiliate except pursuant to the reasonable requirements of such Member's activities and upon fair and reasonable terms no less favorable to it than would obtain in a comparable arm's-length transaction with a person not an Affiliate.

Merger, Consolidation, Sale or Conveyance

Each Member has agreed that it will not merge into, or consolidate with, one or more corporations that are not Members, or allow one or more of such corporations to merge into it, or sell or convey all or substantially all of its Property to any Person that is not a Member, unless (a) the successor corporation executes a binding agreement to assume, jointly and severally, the due and punctual payment of the principal of, premium, if any, and interest on all Master Notes according to their tenor and the due and punctual performance and observance of all the covenants and conditions of the Master Indenture to be kept and performed by the Member; (b) immediately after the merger or consolidation, or the sale or conveyance, no Member would be in default in the performance or observance of any covenant or condition of any Related Loan Document or the Master Indenture; (c) immediately after such merger or consolidation, or such sale or conveyance, the Obligated Group would be permitted to incur of one dollar of additional Long-Term Indebtedness, assuming that any Indebtedness of any successor or acquiring corporation is Indebtedness of such Member and that the Revenues and Expenses of the Member for such most recent Fiscal Year include the Revenues and Expenses of such other corporation; and (d) if all amounts due or to become due on all Related Bonds have not been fully paid to the holders thereof or fully provided for, the Master Trustee receives an opinion of Independent Counsel to the effect that under then-existing law the consummation of such merger, consolidation, sale, or conveyance, whether or not contemplated on the original date of delivery of such Related Bonds, would not adversely affect the validity of such Related Bonds or the exemption otherwise available from federal income taxation of interest payable on such Related Bonds.

Financial Statement, Records and Reports

The Members covenant that they will keep or cause to be kept proper books of records and accounts in which full, true and correct entries will be made of all dealings or transactions of or in relation to the business and affairs of the Obligated Group in accordance with GAAP. The Members further covenant that they will furnish the following to the Master Trustee, any requesting Qualifying Master Note holder, each Related Issuer, and each Related Bond Trustee:

(a) As soon as practicable after they are available, but in no event more than 150 days after the last day of each Fiscal Year, the Audited Financial Statements of the Obligated Group for such Fiscal Year, showing in comparative form the same financial information for the preceding Fiscal Year, together with a separate written statement of the accountants preparing such report that nothing has come to their attention that would lead them to believe that the Corporation has failed to comply with the terms, covenants, provisions or conditions of certain sections of the Master Indenture, insofar as they relate to accounting matters, or, if an event of noncompliance has come to their attention, such statement shall specify the nature and period of existence thereof. Such accountants shall not be liable directly or indirectly to any Person for any failure to obtain knowledge of any violation with the terms, covenants, provisions or conditions of the Master Indenture.

(b) At the time of delivery of the financial report referred to in subsection (a) above, an Officer's Certificate of the Obligated Group Agent, stating that the Obligated Group Agent has made a review of the activities of each Member during the preceding Fiscal Year for the purpose of determining whether or not the Members have complied with all of the terms, provisions, and conditions of the Master Indenture and that each Member has kept, observed, performed, and fulfilled each and every covenant, provision, and condition of the Master Indenture on its part to be performed and is not in default in the performance or observance of any of the terms, covenants, provisions, or conditions hereof, or if any Member shall be in default such certificate shall specify all such defaults and the nature thereof.

(c) Such additional information as the Master Trustee, any requesting Qualifying Master Note holder, any Related Issuer, or any Related Bond Trustee may reasonably request concerning any Member in order to enable the Master Trustee, such Qualifying Master Note holder, such Related Issuer, or such Related Bond Trustee to determine whether the covenants, terms, and provisions of the Master Indenture have been complied with by the Members and for that purpose all pertinent books, documents, and vouchers relating to the business, affairs, and Property (other than patient, donor and personnel records) of the Members shall, to the extent permitted by law, at all times during regular business hours be open to the inspection of such accountant or other agent (who may make copies of all or any part thereof) as shall from time to time be designated and compensated by the Master Trustee, such Qualifying Master Note holder, such Related Issuer, or such Related Bond Trustee.

The Obligated Group Agent also agrees to provide copies of the information referred to in subsection (a) above to each Rating Agency then maintaining a rating on any Related Bonds or any Indebtedness of any Member.

The Members also agree that, within 10 days after its receipt thereof, the Obligated Group Agent will file with the Master Trustee a copy of each Consultant report or opinion of counsel required to be prepared under the terms of the Master Indenture.

Without limiting the foregoing each Member will permit the Master Trustee, any such Qualifying Master Note holder, any such Related Issuer, or any such Related Bond Trustee (or such persons as they may designate) to visit and inspect, at the expense of such Person, its Property and to discuss the affairs, finances, and accounts of the Obligated Group with its officers and independent accountants, all at such reasonable times and as often as the Master Trustee, such Qualifying Master Note holder, such Related Issuer or such Related Bond Trustee may reasonably desire.

The Obligated Group Agent shall give prompt written notice of a change of accountants by the Obligated Group to the Master Trustee and each such Related Issuer and Related Bond Trustee. The notice shall state: (i) the effective date of such change, (ii) whether there were any unresolved disagreements with the former accountants on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure, that the accountants claimed would have caused them to refer to the disagreement in a report on the disputed matter, if it was not resolved to their satisfaction, and (iii) such additional information relating thereto as such Related Issuer, Related Bond Trustee or the Master Trustee may reasonably request.

Each Member agrees that, whenever requested by any Related Issuer, it shall provide and certify, or cause to be provided and certified, in form satisfactory to such Related Issuer, such information concerning such Member and the other Members, their property, their operation and finances, and other matters that such Related Issuer considers necessary to enable it to complete and publish an official statement relating to its Related Bonds when any of such Related Bonds are to be offered for sale or to enable it to make any reports required by law, governmental regulations or the Related Bond Indenture in connection with any such Related Bonds.

For any and all purposes of the Master Indenture (other than for the delivery of financial statements to the Master Trustee), including but not limited to computations or calculations of financial levels and ratios, and the application of any other quantitative financial tests or provisions, the Obligated Group, at the option of the Obligated Group Agent, may, unless the context specifically requires otherwise, utilize financial and other information either (i) as shown on the most recent Audited Financial Statements of the Obligated Group or (ii), so long as the Obligated Group is responsible for at least 85% of the System Revenues in the most recent System Financial Statements, as shown on the most recent System Financial Statements. If any computation or calculation is to be made on the basis described in clause (ii) of the preceding sentence, any reference in the related provision of the Master Indenture to the

Audited Financial Statements of the Obligated Group will be deemed to be a reference to the System Financial Statements.

Insurance; Disposition of Insurance and Condemnation Proceeds

Each Member has covenanted to maintain insurance with respect to its Property (including Excluded Property), the operation thereof, and its business against such casualties, contingencies, and risks, and in amounts not less than is customary in the case of corporations engaged in the same or similar activities and similarly situated and as is adequate to protect its Property and operations. The Obligated Group Agent has agreed to annually review the insurance each Member maintains to determine whether such insurance is customary and adequate. In addition, the Obligated Group Agent has agreed to provide, at least once every three Fiscal Years, a certificate of an Insurance Consultant to the effect that the insurance then being maintained by the Members meets the requirements of the Master Indenture. The Obligated Group or any Member may self-insure if an Insurance Consultant determines that such self-insurance meets the standards of the Master Indenture and is prudent under the circumstances.

Each Member has agreed to notify the Master Trustee (a) in the case of damage to or destruction of its Facilities as a result of fire or other casualty (a “*casualty loss*”), the Net Proceeds of which are estimated to exceed 10% of the Book Value of the Property, Plant and Equipment of the Obligated Group, and (b) any prospective or pending condemnation proceedings with respect to its Facilities or any part thereof.

In the event the Net Proceeds of a casualty loss or any award, compensation or damages payable in connection with any such condemnation or taking, or payment received in a sale transaction consummated under threat of condemnation (an “*award*”) exceed 10% of the Book Value of the Property, Plant and Equipment of the Obligated Group, the Member shall within 12 months after the date on which the Net Proceeds are finally determined elect one of the following three options, subject to the approval of the Master Trustee:

(a) Repair and Restoration. The Member may elect to replace, repair, reconstruct, restore or improve any of the Facilities of the Obligated Group or acquire additional Facilities for the Obligated Group or repay Indebtedness incurred for any such purpose pending the receipt of such Net Proceeds.

(b) Prepayment of Master Notes. The Member may elect to have all of the Net Proceeds payable as a result of such damage or destruction applied to the prepayment of the Master Notes.

(c) Restoration and Prepayment of Master Notes. The Member may elect to have a portion of the Net Proceeds applied to the replacement, repair, reconstruction, restoration, and improvement of the Facilities of the Obligated Group or the acquisition of additional Facilities for the Obligated Group or the repayment of Indebtedness incurred for any such purpose pending the receipt of such Net Proceeds, with the remainder of such Net Proceeds to be applied to prepay Master Notes.

If any Member elects to proceed under (a) or (c) above, any amounts in respect of such Net Proceeds not so paid to such Member shall be used to prepay Master Notes. Any moneys on deposit with the Master Trustee shall be invested in accordance with, and subject to the terms of, any applicable Tax Exemption Agreement.

Entrance Into and Withdrawal from the Obligated Group

A Person may become a Member of the Obligated Group if (a) the Person executes a binding agreement to comply with all provisions of the Master Indenture, and unconditionally and irrevocably (subject to the right of such Person to cease its status as a Member of the Obligated Group pursuant to the Master Indenture) to jointly and severally make payments upon each Master Note at the times and in the amounts provided in each such Master Note; (b) the admission of such Person is approved by the Obligated Group Agent; (c) the Obligated Group certifies that, upon such Person becoming a Member of the Obligated Group the Members would not be in default in the performance or observance of any covenant or condition under the Master Indenture, and the Obligated Group could meet the conditions of the Master Indenture for the incurrence of one dollar of additional Long-Term Indebtedness, (d) the Master Trustee receives an opinion of Independent Counsel to the effect that the addition of such Person to the Obligated Group will not adversely affect the status as a Tax-Exempt Organization of any Member that otherwise has

such status, and (e) if all amounts due or to become due on all Related Bonds have not been paid or provision made for such payment, the Master Trustee receives an opinion of Independent Counsel to the effect that the consummation of such transaction would not adversely affect the validity of any Related Bond or any exemption from federal income taxation of interest payable on such Bond otherwise entitled to such exemption.

No Member may withdraw from the Obligated Group unless: (a) another Member assumes the obligations of the withdrawing Member under any Related Loan Documents with respect to Related Bonds that remain outstanding, and issues a Master Note evidencing or assuming the obligation of the withdrawing Member in respect of such Related Bonds; (b) the Master Trustee receives an opinion of Independent Counsel to the effect that the cessation by the Member of its status as a Member will not adversely affect (i) the validity of any Related Bond or any exemption from federal income taxation of interest payable thereon to which such Bond would otherwise be entitled or (ii) any Member's status as a Tax-Exempt Organization; (c) the Obligated Group certifies that, if it is assumed that such cessation results in a transfer of Property owned by the Member proposing to cease such status to a Person who is not a Member of the Obligated Group, the conditions precedent to such a transfer set forth in the Master Indenture are satisfied; (d) no event of default exists under the Master Indenture and no event shall have occurred that, with the passage of time or the giving of notice, or both, would become an event of default; and (e) the Obligated Group Agent consents to the withdrawal.

Upon the consent of the holders of not less than sixty percent in the aggregate principal amount of the Master Notes, and the consent of the majority holders in the aggregate principal amount of the Master Notes of each series that are outstanding, the provision of the Master Indenture as summarized in the paragraph above will be amended pursuant to the provisions of the Tax-Exempt Bonds Supplement to read as follows:

No Member may withdraw from the Obligated Group unless: (a) another Member assumes the obligations of the withdrawing Member under any Related Loan Documents with respect to Related Bonds that remain outstanding, and issues a Master Note evidencing or assuming the obligation of the withdrawing Member in respect of such Related Bonds; (b) the Master Trustee receives an opinion of Independent Counsel to the effect that the cessation by the Member of its status as a Member will not adversely affect (i) the validity of any Related Bond or any exemption from federal income taxation of interest payable thereon to which such Bond would otherwise be entitled or (ii) any Member's status as a Tax-Exempt Organization; (c) prior to such cessation there is delivered to the Master Trustee an Officer's Certificate to the effect that immediately after the withdrawal of such Member, the Obligated Group could meet the conditions described above in subsection (a) of "Additional Indebtedness" for the incurrence of one dollar of additional Long-Term Indebtedness; (d) no event of default exists under the Master Indenture and no event shall have occurred that, with the passage of time or the giving of notice, or both, would become an event of default; and (e) the Obligated Group Agent consents to the withdrawal.

Additions to Excluded Property

Additions to the Property of the Obligated Group deemed to be Excluded Property may be made without consent of any holders of Master Notes, with respect to: (a) additional real property acquired by a Member subsequent to the Effective Date and all improvements, fixtures, tangible personal property, and equipment located thereon and used in connection therewith if such Member certifies that (1) the Property does not constitute a portion of the Property financed or refinanced with proceeds of Outstanding Related Bonds and (2) the Book Value (or, if elected, Current Value) of all such additional Property does not exceed 10% of the Book Value (or Current Value) of Property of the Obligated Group in the most recent Fiscal Year, or (b) unimproved real property of a Member certified by the Member not to be an integral part of the operation of such Member's activities. In any consecutive 12-month period the Book Value (or, if elected, Current Value) of the Property re-classified as Excluded Property, together with any Property disposed of other than in compliance with the Master Indenture, may not exceed 10% of the Book Value (or Current Value) of the Property of the Obligated Group.

Defaults and Remedies

The following are "events of default" under the Master Indenture: (a) the failure of the Obligated Group to pay any installment of interest or principal, or any premium, on any Master Note when due and payable, or to pay any scheduled payments related to a Financial Products Agreement secured by a Master Note, and, in either event, the

continuance of such failure for five days; (b) the failure of any Member to comply with, observe or perform any of the covenants or provisions of the Master Indenture and to remedy the same within 60 days after written notice from the Master Trustee or from the holders of at least 25% in aggregate principal amount of the outstanding Master Notes; *provided* that if the default cannot with due diligence and dispatch be wholly cured within 60 days but can be wholly cured, the failure of the Member to cure the default within the 60-day period will not constitute a default provided that the Member is pursuing a cure with due diligence and dispatch; (c) any representation or warranty made by a Member in the Master Indenture, or to the Master Trustee, or to the purchaser of any Master Note in connection with the sale of a Master Note proves untrue in any material respect and is not corrected within 60 days after written notice from the Master Trustee or from the holders of at least 25% in aggregate principal amount of the outstanding Master Notes; (d) a Member defaults in the payment of any Indebtedness for borrowed money (other than a Master Note or Non-Recourse Indebtedness), including any Indebtedness created by any Related Loan Document, or an event of default exists under any mortgage, indenture, loan agreement, or other instrument under which any such Indebtedness (including any Master Note) was incurred or is secured, and which payment default or event of default entitles the holder thereof to declare or, in the case of any Master Note, to request that the Master Trustee declare, such Indebtedness due and payable prior to the date on which it would otherwise become due and payable; *provided, however*, that if the Indebtedness in question is not evidenced by a Master Note or issued, incurred or secured by or under a Related Loan Document, a payment default will not constitute an “*event of default*” under the Master Indenture unless the unpaid principal amount of all Indebtedness then in default, exceeds 1% of the Unrestricted Net Assets of the Obligated Group; (e) any judgment, writ, or warrant of attachment or of any similar process is entered or filed against any Member or against any Property of any Member and remains unvacated, unpaid, unbonded, unstayed, or uncontested in good faith for a period of 60 days; *provided, however*, that the amount of all judgments, writs, warrants of attachment or similar processes, then unvacated, unpaid, unbonded, unstayed or uncontested must exceed 1% of the Unrestricted Net Assets of the Obligated Group; (f) a Member admits insolvency or bankruptcy or its inability to pay its debts as they mature, or is generally not paying its debts as such debts become due, or makes an assignment for the benefit of creditors, or applies for or consents to the appointment of a trustee, custodian, or receiver for such Member, or for the major part of its Property; (g) a trustee, custodian, or receiver is appointed for a Member or for the major part of its Property and is not discharged within 60 days after such appointment; (h) bankruptcy, dissolution, reorganization, arrangement, insolvency, or liquidation proceedings, proceedings under Title 11 of the United States Code, as amended, or other proceedings for relief under any bankruptcy or similar law for the relief of debtors are instituted by or against any Member (other than bankruptcy or similar proceedings instituted by any Member against third parties), and if instituted against any Member, are allowed against such Member, are consented to, or are not dismissed, stayed, or otherwise nullified within 90 days after such institution; and (i) payment of any installment of interest or principal, or any premium, on any Related Bond shall not be made when the same shall become due and payable under the provisions of any Related Bond Indenture.

Upon the occurrence and during the continuation of an event of default, the Master Trustee may and, upon the written request of (a) the Holders of not less than 25% in aggregate principal amount of Outstanding Master Notes, or (b) any Person properly exercising the right given to such Person as the holder of an Accelerable Instrument, must, by notice to the Obligated Group Agent declare the entire principal amount of all Master Notes then outstanding and the interest accrued thereon immediately due and payable, and the entire principal and such interest shall thereupon become immediately due and payable, subject, however, to the provisions of the Master Indenture with respect to waivers of events of default.

At any time after the principal of all Master Notes have been declared due and payable, and before entry of any judgment or decree for the payment of the moneys due and before the acceleration of any Related Bond, if the Obligated Group pays or deposits with the Master Trustee a sum sufficient to pay all matured installments of interest upon all such Master Notes and the principal and premium, if any, of all such Master Notes that have become due other than by acceleration (with interest on overdue installments of interest and on such principal and premium, if any, at the rate borne by such Master Notes to the date of such payment or deposit, to the extent permitted by law) and the expenses of the Master Trustee, and if any and all events of default under the Master Indenture, other than the nonpayment of principal of and accrued interest on such Master Notes that shall have become due by acceleration, shall have been remedied, and if the Master Trustee gave the notice of acceleration upon the request of a holder or holders of Master Notes or Accelerable Instruments upon the consent or the holders of a majority in aggregate principal amount of all Master Notes then outstanding and the holder of each Accelerable Instrument who requested the giving of notice of acceleration, may waive all events of default and annul such declaration and its consequences.

Upon the occurrence and continuance of any event of default, the Master Trustee may, and upon the written request of the Holders of not less than 25% in aggregate principal amount of the Master Notes outstanding, and upon being indemnified to its satisfaction, must, proceed to protect and enforce its rights and the rights of the holders by such legal actions or proceedings as the Master Trustee shall deem expedient unless advised by counsel that the action so requested may not lawfully be taken or the Master Trustee in good faith shall determine that such action would be unjustly prejudicial to the holders of Master Notes not parties to such request.

The holders of a majority in aggregate principal amount of the Master Notes then outstanding that have become or have been declared due and payable and have not been paid in full in the case of remedies exercised to enforce such payment, or the holders of a majority in aggregate principal amount of the Master Notes then outstanding in the case of any other remedy, have the right, at any time, to direct the method and place of conducting all proceedings to be taken in connection consistent with the Master Indenture with the enforcement of the terms and conditions of the Master Indenture or for the appointment of a receiver or any other proceedings. The Master Trustee shall have the right to decline to comply with any such request if the Master Trustee is advised by counsel that the action so directed may not lawfully be taken or the Master Trustee in good faith shall determine that such action would be unjustly prejudicial to the holders of the Master Notes not parties to such direction. Pending such direction from the holders of a majority in aggregate principal amount of the Master Notes outstanding, such direction may be given in the same manner and with the same effect by the holder of an Accelerable Instrument upon whose request the Master Trustee has accelerated the Master Notes.

The holders of a majority in aggregate principal amount of the Master Notes then outstanding that are entitled to the exclusive benefit of certain security in addition to that intended to secure all or other Master Notes have the right, at any time, to direct the method and place of conducting all proceedings consistent with the Master Indenture to be taken in connection with the enforcement of the terms and conditions of the Master Indenture, the Supplemental Master Indenture or Indentures pursuant to which such Master Notes were issued or so secured or any separate security document in order to realize on such security.

Upon the occurrence of an event of default, and upon the filing of a suit or other commencement of judicial proceedings to enforce the rights of the Master Trustee and the holders of Master Notes under the Master Indenture, the Master Trustee shall be entitled, as a matter of right, to the appointment of a receiver or receivers of the rights and properties pledged under the Master Indenture and of the revenues, issues, payments and profits thereof, pending such proceedings, with such powers as the court making such appointment shall confer.

All moneys received by the Master Trustee pursuant to any right given or action taken under the provisions of the Master Indenture (except moneys held for the payment of Master Notes called for prepayment or redemption that have become due and payable) shall, after payment of the cost and expenses of the proceedings resulting in the collection of such moneys and of the fees of, expenses, liabilities and advances incurred or made by the Master Trustee, any Related Issuers and any Related Bond Trustees, be applied as follows: (a) Unless the principal of all the Master Notes has become or has been declared due and payable, all such moneys shall be applied: (i) first, to the payment to the persons entitled thereto of all installments of interest then due on, or scheduled payments due on related Financial Products Agreements secured by, the Master Notes, in the order of the maturity of the installments of such interest and scheduled payments, and, if the amount available is not sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or privilege; (ii) second, to the payment to the persons entitled thereto of the unpaid principal and premium, if any, on the Master Notes that have become due (other than Master Notes called for redemption or payment for payment of which moneys are held pursuant to the provisions of the Master Indenture), in the order of the scheduled dates of their payment, and, if the amount available is not sufficient to pay in full Master Notes due on any particular date, then to the payment ratably, according to the amount of principal and premium due on such date, to the persons entitled thereto without any discrimination or privilege; (iii) third, to the payment to the persons entitled thereto of the unpaid termination payments on Financial Products Agreements secured by the Master Notes that have become due, and, if the amount available is not sufficient to pay in full such termination payments due on any particular date, then to the payment ratably, according to the amount due on such date, to the persons entitled thereto without any discrimination or privilege; and (iv) fourth, to the payment to the persons entitled thereto of all unpaid principal and interest on Master Notes, payment of which was extended by such persons; (b) if the principal of all the Master Notes has become due or has been declared due and payable, all such moneys shall be applied to the payment of the principal, premium, if any, and interest and other payments related to Financial Products Agreements then due and unpaid upon

the Master Notes without preference or priority of principal, premium, or interest over the others, or of any installment of interest over any other installment of interest, or of any Master Note over any other Master Note, ratably, according to the amounts due respectively for principal, premium, if any, and interest and other payments related to Financial Products Agreements to the persons entitled thereto without any discrimination or privilege; *provided* that no amount shall be paid to any Master Note holder who has extended the time for payment of either principal or interest until all other principal, premium, if any, and interest owing on Master Notes has been paid; and (c) if the principal of all the Master Notes has been declared due and payable, and if such declaration thereafter has been rescinded and annulled, then in the event that the principal of all the Master Notes shall later become due or be declared due and payable, the moneys shall be applied in accordance with clause (a) this paragraph.

Whenever all Master Notes and interest thereon have been paid under the provisions of the Master Indenture and all expenses and charges of the Master Trustee have been paid, any balance remaining shall be paid to the person entitled to receive the same; if no other person shall be entitled thereto, then the balance shall be paid to the Obligated Group Agent on behalf of the Members.

All rights of action including the right to file proof of claims under the Master Indenture or under any of the Master Notes may be enforced by the Master Trustee without the possession of any of the Master Notes and any such suit or proceeding instituted by the Master Trustee shall be brought in its name as Master Trustee without the necessity of joining as plaintiffs or defendants any holders of the Master Notes, and any recovery of judgment shall be for the equal benefit of the holders of the Outstanding Master Notes.

No holder of any Master Note shall have any right to institute any suit, action, or proceeding in equity or at law for the enforcement of the Master Indenture or for the execution of any trust thereof or for the appointment of a receiver or any other remedy, unless a default has become an event of default and (a) the holders of 25% or more in aggregate principal amount (i) of the Master Notes that have become due and payable in accordance with their terms or have been declared due and payable and have not been paid in full in the case of powers exercised to enforce such payment or (ii) the Master Notes then outstanding in the case of any other exercise of power or (b) the holder of an Accelerable Instrument upon whose request the Master Trustee has accelerated the Master Notes, have made written request to the Master Trustee and have offered it reasonable opportunity either to proceed to exercise the powers granted to the Master Trustee or to institute such action, suit or proceeding in its own name, and unless also, in each case, such holders have offered to the Master Trustee indemnity as required by the Master Indenture, and unless the Master Trustee thereafter fails or refuses to exercise the powers granted to it, or to institute such action, suit or proceeding in its own name; provided that no one or more holders of the Master Notes shall have any right in any manner whatsoever to affect, disturb, or prejudice the lien of the Master Indenture by its, his, or their action or to enforce any right except in the manner provided in the Master Indenture, and that all proceedings at law or in equity shall be instituted, had, and maintained for the equal benefit of the holders of all Master Notes outstanding. Nothing in the Master Indenture, however, shall affect or impair the right of any holder to enforce the payment of the principal of, premium, if any, and interest on any Master Note at and after the maturity thereof, or the obligation of the Members to pay the principal, premium, if any, and interest on each of the Master Notes issued to the respective holders thereof at the time and place, from the source and in the manner in said Master Notes expressed.

If any enforcement proceedings are discontinued or abandoned for any reason, or are determined adversely to the Master Trustee, then and in every case the Members and the Master Trustee shall, subject to any determination in such proceeding, be restored to their former positions and rights with respect to the Property pledged and assigned, and all rights, remedies and powers of the Master Trustee shall continue as if no such proceedings had been undertaken.

So long as each Member is in full compliance with the terms and provisions of the Master Indenture, each Member shall be permitted to possess, use, and enjoy its Property free of claims of the Master Trustee.

Unless a Related Bond Trustee elects to the contrary or contrary provision is made in a Related Bond Indenture, each Related Bond Trustee is deemed to be the holder of the Master Note or Master Notes pledged to secure the Related Bonds with respect to which the Related Bond Trustee is acting as trustee. If such a Related Bond Trustee so elects or the Related Bond Indenture so provides, the holders of each series of Related Bonds will be deemed to be the holders of the Master Notes to the extent of the principal amount of the Master Notes to which their Bonds relate. The documents pursuant to which any Master Note is issued or pursuant to which Related Bonds that are secured by

a Master Note are issued may provide that the Related Issuer, or the provider of a credit facility for the Related Bonds, is entitled to exercise certain rights granted to Master Note holders under the Master Indenture.

Supplements and Amendments

The Master Indenture may be supplemented and/or amended without the consent of or notice to any of the Master Note holders in order to: (a) cure any ambiguity or defect or omission in the Master Indenture; (b) grant to or confer upon the Master Trustee for the benefit of the Master Note holders additional rights, remedies, powers or authority, to add to the covenants of the Members for the benefit of the Master Note holders, or to surrender any right or power conferred upon any Member; (c) assign and pledge any additional revenues, properties or collateral; (d) evidence the succession of another corporation to the agreements of a Member or the Master Trustee; (e) permit the qualification of the Master Indenture under the Trust Indenture Act of 1939 or under any similar federal statute, or to permit the qualification of any Master Notes for sale under the securities laws of any state; (f) provide for the refunding or advance refunding of any Master Note; (g) provide for the issuance of Additional Master Notes; (h) reflect the addition to or withdrawal of a Member from the Obligated Group; (i) provide for the issuance of Master Notes with original issue discount, *provided* that such issuance would not materially adversely affect the holders of Outstanding Master Notes; (j) permit a Master Note to be secured by security that is not extended to all Master Note holders to the extent permitted under the Master Indenture; (k) permit the issuance of Master Notes that are not in the form of a promissory note; (l) evidence additions or removals from the definition of Excluded Property to the extent permitted by the Master Indenture; and (m) make any other change that, in the opinion of the Master Trustee, does not materially and adversely affect the holders of any of the Master Notes and, in the opinion of each Related Bond Trustee, does not materially and adversely affect the holders of the Related Bonds with respect to which it acts as trustee.

Other than Supplemental Master Indentures described above, the holders of not less than sixty percent in aggregate principal amount of the Master Notes that are outstanding at the time of the execution of a Supplemental Master Indenture or, in case less than all of the several series of Master Notes are affected thereby, the holders of not less than a majority in aggregate principal amount of the Master Notes of each series affected thereby that are outstanding at the time of execution of a Supplemental Master Indenture, have the right to consent to and approve the execution by the Members and the Master Trustee of Supplemental Master Indentures that are deemed necessary and desirable by the Members for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in the Master Indenture or in any Supplemental Master Indenture; provided, however, that no such Supplemental master Indenture may permit, or be construed as permitting, (a) an extension of the stated maturity or reduction in the principal amount of or reduction in the rate or extension of the time of paying of interest on or reduction of any premium payable on the redemption of, any Master Note, without the consent of the holder of such Master Note, (b) a reduction in the aggregate principal amount of Master Notes, the holders of which are required to consent to any such Supplemental Master Indenture or any such amending or supplementing instruments, without the consent of the holders of all the Master Notes at the time outstanding that would be affected by the action to be taken, or (c) modification of the rights, duties or immunities of the Master Trustee, without the written consent of the Master Trustee; and provided further that no such modification may be made if it materially and adversely affects the provisions of the Master Indenture concerning the conditions precedent to a Person becoming a Member, the conditions precedent to cessation of status as a Member, the maintenance of the Obligated Group's Property free and clear of Liens other than Permitted Encumbrances, the definition of Permitted Encumbrances or transactions with or transfers to Members and other entities without the written approval or consent of the holders of not less than a majority in aggregate principal amount of the Master Notes of each series affected thereby.

Upon the consent of all holders of the Master Notes that are outstanding, the provision of the Master Indenture as summarized in the paragraph above will be amended pursuant to the provisions of the Tax-Exempt Bonds Supplement to read as follows:

Other than Supplemental Master Indentures described above, the holders of not less than fifty percent in aggregate principal amount of the Master Notes that are outstanding at the time of the execution of a Supplemental Master Indenture or, in case less than all of the several series of Master Notes are affected thereby, the holders of not less than a majority in aggregate principal amount of the Master Notes of each series affected thereby that are outstanding at the time of execution of a Supplemental Master Indenture, have the right to consent to and approve the execution by the Members and the Master Trustee of Supplemental

Master Indentures that are deemed necessary and desirable by the Members for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in the Master Indenture or in any Supplemental Master Indenture; provided, however, that no such Supplemental master Indenture may permit, or be construed as permitting, (a) an extension of the stated maturity or reduction in the principal amount of or reduction in the rate or extension of the time of paying of interest on or reduction of any premium payable on the redemption of, any Master Note, without the consent of the holder of such Master Note, (b) a reduction in the aggregate principal amount of Master Notes, the holders of which are required to consent to any such Supplemental Master Indenture or any such amending or supplementing instruments, without the consent of the holders of all the Master Notes at the time outstanding that would be affected by the action to be taken, or (c) modification of the rights, duties or immunities of the Master Trustee, without the written consent of the Master Trustee; and provided further that no such modification may be made if it materially and adversely affects the provisions of the Master Indenture concerning the conditions precedent to a Person becoming a Member, the conditions precedent to cessation of status as a Member, the maintenance of the Obligated Group's Property free and clear of Liens other than Permitted Encumbrances, the definition of Permitted Encumbrances or transactions with or transfers to Members and other entities without the written approval or consent of the holders of not less than a majority in aggregate principal amount of the Master Notes of each series affected thereby.

If the requisite majority of holders of the Master Notes or the Master Notes of each series affected thereby, as the case may be, that are outstanding at the time of the execution of any such Supplemental Master Indenture have consented to and approved the execution thereof, no holder of any Master Note shall have any right to object to any of the terms and provisions contained therein, or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Master Trustee or the Members from executing the same or from taking any action pursuant to the provisions thereof.

Satisfaction and Discharge

The Master Indenture and the estate and rights granted thereunder will determine and cease to be of further effect, and the Master Trustee will execute proper instruments acknowledging satisfaction of and discharging the Master Indenture and the lien thereof, if the Obligated Group pays or provides for the payment of the entire indebtedness on all Master Notes outstanding, either by (a) delivering to the Master Trustee for cancellation all Master Notes outstanding; (b) paying or causing to be paid the principal of (including redemption premium, if any) and interest on all Master Notes outstanding, as and when the same become due and payable; (c) depositing with the Master Trustee, in trust, at or before maturity, moneys in an amount sufficient to pay or redeem (when redeemable) all Master Notes outstanding (including the payment of premium, if any, and interest payable on such Master Notes to the maturity or redemption date thereof); or (d) by depositing with the Master Trustee, in trust, before maturity, Escrow Obligations in such amount as the Master Trustee shall determine (which determination may be based upon a verification report of a firm of nationally recognized certified public accountants) will, together with the income or increment to accrue thereon, without consideration of any reinvestment thereof, be fully sufficient to pay or redeem (when redeemable) and discharge the indebtedness on all Master Notes outstanding at or before their respective maturity dates.

The satisfaction and discharge of the Master Indenture shall be without prejudice to the rights of the Master Trustee to charge and to be reimbursed by the Obligated Group for any expenditures that it may thereafter incur in connection herewith. The foregoing notwithstanding, the liability of the Obligated Group in respect of the Master Notes shall continue, but the holders thereof shall thereafter be entitled to payment only out of the moneys or Escrow Obligations deposited with the Master Trustee as aforesaid. Any moneys, funds, securities, or other property remaining on deposit under the Master Indenture (other than said Escrow Obligations or other moneys deposited in trust as above provided) shall, upon the full satisfaction of the Master Indenture, be paid over to the Obligated Group.

The Obligated Group may at any time surrender to the Master Trustee for cancellation by it any Master Notes that the Obligated Group may have acquired in any manner whatsoever, and such Master Notes, upon such surrender and cancellation, shall be deemed to be paid and retired.

The Obligated Group may pay or provide for the payment of the entire indebtedness on all Master Notes of a particular series or a portion of such a series, and such Master Notes thereupon shall cease to be entitled to any lien,

benefit or security under the Master Indenture, in one of the following ways: (a) by delivering to the Master Trustee, for cancellation by it, all Master Notes of such series or portion thereof outstanding; (b) by paying or causing to be paid the principal of (including redemption premium, if any) and interest on all Master Notes of such series or portion thereof outstanding, as and when the same shall become due and payable; (c) by depositing with the Master Trustee, in trust, at or before maturity, moneys in an amount sufficient to pay or redeem (when redeemable) all Master Notes of such series or portion thereof outstanding (including the payment of premium, if any, and interest payable on such Master Notes to the maturity or redemption date); or (d) by depositing with the Master Trustee, in trust, Escrow Obligations in such amount as the Master Trustee shall determine will, together with the income or increment to accrue thereon without consideration of any reinvestment thereof, be fully sufficient to pay or redeem (when redeemable) and discharge the indebtedness on all Master Notes of such series or portion thereof at or before their respective maturity dates. The liability of the Obligated Group in respect of such Master Notes shall continue but the holders thereof shall thereafter be entitled to payment (to the exclusion of all other Master Note holders) only out of the moneys or Escrow Obligations deposited with the Master Trustee as aforesaid.

Any Master Note that secures a Related Bond (i) shall be deemed paid and shall cease to be entitled to the lien, benefit and security under the Master Indenture in the circumstances described in subsection (b)(ii) of the definition of “Outstanding Master Notes” and (ii) shall not be deemed paid and shall continue to be entitled to the lien, benefit and security under the Master Indenture unless and until such Related Bond shall cease to be entitled to any lien, benefit or security under the Related Bond Indenture pursuant to the provisions thereof.

Certain Additional Covenants

The Master Indenture also contains certain additional temporary covenants of the Obligated Group for the benefit of Assured Guaranty Municipal Corp., as bond insurer for the Wisconsin Health and Educational Facilities Authority Revenue Bonds, Series 2020A (Marshfield Clinic Health System, Inc.) (the “*WHEFA Series 2020A Bonds*”) and the Marshfield Clinic Health System, Inc. Taxable Bonds, Series 2020 (the “*MCHS Series 2020 Bonds*”). Such covenants are effective only for so long as the Series 2020C Master Note related to the WHEFA Series 2020A Bonds and the Series 2020F Master Note related to the MCHS Series 2020 Bonds, respectively, are outstanding.

The Tax-Exempt Bonds Supplement

Issuance of the Tax-Exempt Bonds Master Note

The Supplemental Master Trust Indenture for the Series 2024B Master Note (the “*Tax-Exempt Bonds Supplement*”) provides for creation and authorization of the issuance of a Master Note of the Obligated Group to be designated “Marshfield Clinic Health System Obligated Group Series 2024B Master Note” (the “*Tax-Exempt Bonds Master Note*”). The Tax-Exempt Bonds Master Note shall be in substantially the form included in the Supplemental Master Trust Indenture for the Tax-Exempt Bonds Master Note, with such necessary and appropriate omissions, insertions and variations as are permitted or required thereof or by the Master Indenture and are approved by those officers executing such Master Note on behalf of the Obligated Group and execution thereof by such officers shall constitute conclusive evidence of such approval.

Payment and Prepayment of the Tax-Exempt Bonds Master Note

The principal of, purchase price, premium, if any, and interest on the Tax-Exempt Bonds Master Note shall be payable at such times, in such amounts, and in such manner as provided in the Bond Trust Indenture, dated as of July 1, 2024 (the “*Bond Indenture*”) for the payment of the Wisconsin Health and Educational Facilities Authority Revenue Bonds, Series 2024A (Marshfield Clinic Health System, Inc.) (the “*Series 2024A Bonds*”). Amounts due on the Tax-Exempt Bonds Master Note shall be payable in any coin or currency of the United States of America which on the payment date is legal tender for the payment of public and private debts.

The Obligated Group shall receive full credit for payment of principal and interest on the Tax-Exempt Bonds Master Note, in addition to any credits resulting from payment or prepayment from other sources, equal to installments of, respectively, principal and interest paid on the Series 2024A Bonds.

The Obligated Group shall prepay the principal of the Tax-Exempt Bonds Master Note (and pay the premium, if any, due upon such prepayment) in the same amounts and at the same time as any prepayment (including payment of premium, if any) is required to be made in connection with the redemption or purchase of any or all of the Series 2024A Bonds as set forth in the Bond Indenture and in the Loan Agreement related to the Series 2024A Bonds (the “*Loan Agreement*”), including without limitation, upon the occurrence of an Event of Default under the Bond Indenture, and upon acceleration of the Tax-Exempt Bonds Master Note as provided in the Master Indenture.

Provided that all amounts having previously become due under the Tax-Exempt Bonds Master Note have been paid, the Obligated Group shall have the right to pay in advance, in any order of due dates, all or part of the amounts to become due under the Tax-Exempt Bonds Master Note; provided, however, that such prepayment shall be made in accordance with the terms and conditions of the Bond Indenture and the Loan Agreement, including the payment of any premiums or fees required in connection therewith.

Notwithstanding any prepayment of the Series 2024A Bonds, as long as any of such Series 2024A Bonds remain Outstanding or any additional payments required to be made under the Tax-Exempt Bonds Supplement or under the Bond Indenture or Loan Agreement remain unpaid, the Members of the Obligated Group shall not otherwise be relieved of their obligations under the Tax-Exempt Bonds Supplement.

If prepayment of the Tax-Exempt Bonds Master Note is made in part, the Holder shall endorse on the Tax-Exempt Bonds Master Note a notice of such partial prepayment. Such partial prepayment shall be valid upon payment of the amount thereof to the Holder, and the Obligated Group and the Master Trustee shall be fully released and discharged from all liability to the extent of such payment irrespective of whether such endorsement shall or shall not have been made upon the revers of the Tax-Exempt Bonds Master Note by the Holder thereof and irrespective of any error or omission in such endorsement.

Prepayments made under this Section shall reduce the principal of and interest payments due and owing on the Tax-Exempt Bonds Master Note corresponding to the Series 2024A Bonds redeemed or defeased with such amounts as provided in the Bond Indenture.

Mortgage

The provisions described under this caption “Mortgage” will remain in effect for the benefit of the Holders of all Outstanding Master Notes for so long as the Tax-Exempt Bonds Master Note remains Outstanding unless the Mortgage is released as provided in paragraph (f) of below.

- (a) The Obligated Group is entering into the Mortgage to secure the timely payment of principal of, premium, if any, and interest on every Master Note issued under the Master Indenture and/or payments related to Financial Projects Agreements secured by any Master Note issued under the Master Indenture and the performance of the other covenants, agreements and obligations of the Obligated Group under the Master Indenture.
- (b) At the time the Mortgage is originally executed and delivered, the Obligated Group will obtain, at its own cost and expense, an ALTA lender's policy of title insurance, in an aggregate amount equal to \$1,000,000, insuring the Master Trustee, as beneficiary of the Mortgage, that title to such Mortgaged Property is vested in the Members of the Obligated Group that are party to the Mortgage, subject only to Permitted Encumbrances, issued by a title insurance company qualified to do business in the State.
- (c) Upon written request of the Obligated Group Agent, without the necessity of obtaining consent or giving prior notice to any of the Holders, the Master Trustee will execute and deliver releases, subordinations, requests for reconveyances, termination statements or other instruments as may be reasonably requested by the Obligated Group Agent and prepared by or on behalf of the Obligated Group Agent in connection with (1) the disposition of Property in accordance with the provisions of the Master Indenture described under the caption “Sale, Lease or Other Disposition of Property,” (2) the cessation of status of a Member of the Obligated Group pursuant to the provisions of the Master Indenture described under the caption “Entrance Into and Withdrawal from the Obligated Group” and the applicable provisions of any Supplemental Master Indenture, (3) the granting by a Member of the Obligated Group of

any Lien which constitutes a Permitted Encumbrance of the Master Indenture, as certified to the Master Trustee in writing by the Obligated Group Agent, and (4) any Substitute Mortgaged Property as described below.

(d) In addition to the limitations on sale, lease or other disposition of Property contained in the Master Indenture, the Members of the Obligated Group may not sell, lease or otherwise dispose of any Mortgaged Property unless the Master Trustee is furnished with an Officer's Certificate to the effect that the remaining real property and/or substitute real property (the "Substitute Mortgaged Property") together with a copy of the appraisal required in clause (i) below satisfies the following:

(i) (1) the fair market value of the Substitute Mortgaged Property, as set forth in an appraisal performed by a member of the American Institute of Real Estate Appraisers, dated not earlier than six (6) months before the date of release of the Mortgaged Property, shall equal at least the fair market value of the Mortgaged Property being released from the Mortgage, as set forth in an appraisal performed by a member of the American Institute of Real Estate Appraisers, dated not earlier than six (6) months before the date of release of the Mortgaged Property; or

(2) the fair market value of the Substitute Mortgaged Property, as set forth in an appraisal performed by a member of the American Institute of Real Estate Appraisers, dated not earlier than six (6) months before the date of release of the Mortgaged Property, shall equal at least the principal amount outstanding on Tax-Exempt Bonds Master Note;

(ii) the Substitute Mortgaged Property shall constitute real property of one or more legal parcels in compliance with Wisconsin law; and

(iii) the Substitute Mortgaged Property shall be subject to the lien of a mortgage substantially similar to the Mortgage, and subject to no other lien, charge or encumbrance except Permitted Encumbrances, and title to the Substitute Mortgaged Property shall be insured by an ALTA lender's policy of title insurance (or an endorsement to the title insurance obtained) in the amount of \$1,000,000 and naming the Master Trustee as insured.

(e) (i) The Master Trustee and the Corporation may agree to amendments to the Mortgage without the consent of or notice to any of the Holders of Master Notes for one or more of the following purposes:

(1) to cure any ambiguity or formal defect or omission in the Mortgage;

(2) to correct or supplement any provision in the Mortgage which may be inconsistent with any other provision in the Mortgage, or to make any other provisions with respect to matters or questions arising under the Mortgage and which shall not materially adversely affect the interests of the Holders of Master Notes; or

(3) to secure additional Master Notes incurred in accordance with the provisions of the Master Indenture.

(ii) The Master Trustee and the Corporation may agree to any other amendments to the Mortgage upon the consent of a majority in aggregate principal amount of Tax-Exempt Bonds Master Note then Outstanding.

(f) The lien of the Mortgage has been added in connection with the issuance of Tax-Exempt Bonds Master Note. Although it provides a lien for the Tax-Exempt Bonds Master Note and all Outstanding Master Notes, it will be discharged without consent or notice to the Holders of all Master Notes upon receipt by the Master Trustee of any one of the following: (i) the written request of the Obligated Group Agent certifying that the Tax-Exempt Bonds Master Note and the Taxable Bonds Master Note are no longer Outstanding, (ii) written confirmation from each Rating Agency then rating any series of Related Bonds that the ratings on each such series of Related Bonds (without regard to any credit enhancement) by each Rating Agency then rating each series of Related Bonds is at least "A3" or "A-" or its equivalent, or (iii) upon the consent of a majority in aggregate principal amount of the Tax-Exempt Bonds Master Note and the Taxable Bonds Master Note then Outstanding. In such event, the Master Trustee shall execute and deliver such releases and requests for reconveyance or other instruments as may be reasonably requested by the

Obligated Group Agent to discharge of the lien of the Mortgage. If any future Supplemental Master Indenture specifically imposes the lien of the Mortgage in connection with the issuance of a future Master Note, the Master Trustee shall not discharge the lien of the Mortgage unless the provisions of this paragraph have been met and any requirements in such future Supplemental Master Indenture have also been met.

(g) Notwithstanding anything to the contrary contained in the Master Indenture, in the event the Master Trustee is entitled or required to foreclose, commence an action or otherwise exercise remedies to acquire control or possession of any or all of the Property under, but not limited to, the provisions of the Mortgage, the Master Trustee shall not be required to foreclose, commence any such action or exercise any such remedy if the Master Trustee has determined in good faith that it may incur liability under an Environmental Law (as defined below) as the result of the presence at, or release on or from the Property of any Hazardous Substances (as defined below) unless the Master Trustee has received security or indemnity satisfactory to the Master Trustee in its sole discretion, protecting the Master Trustee from all such liability. The term “Environmental Laws” shall mean all federal, state and local environmental, land use, zoning, health, chemical use, safety and sanitation laws, statutes, ordinances and codes relating to the protection of the environment or governing the use, storage, treatment, generation, transportation, processing, handling, production or disposal of Hazardous Substances and the rules, regulations, policies, guidelines, interpretations, decisions, orders and directives of federal, state and local governmental agencies and authorities with respect thereto. The term “Hazardous Substances” shall mean any chemical, substance or material classified or designated as hazardous, toxic or radioactive, or other similar term, and now or hereafter regulated under any Environmental Law, including without limitation, asbestos, petroleum and hydrocarbon products. The Master Trustee shall not be required to take any foreclosure action if the approval of a government regulator shall be a condition precedent to taking such action.

Amendments to Master Indenture

The Tax-Exempt Bonds Supplement sets forth certain amendments to the Master Indenture. Such amendments, and the required percentages of consents of holders in aggregate principal amount of Master Notes outstanding (the “*Required Consents*”) are described under the caption “The Second Amended and Restated Master Trust Indenture” in this Appendix C. By purchasing the Series 2024A Bonds, the owners of the Series 2024A Bonds will be deemed to have consented to such amendments. See “SECURITY AND SOURCE OF PAYMENT FOR THE SERIES 2024A BONDS—The Master Indenture—*Amendments*.”

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APPENDIX D-1

COPY OF THE BOND INDENTURE

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Table of Contents

(This Table of Contents is not a part of this Bond Trust Indenture and is only for convenience of reference.)

WISCONSIN HEALTH AND EDUCATIONAL FACILITIES AUTHORITY

AND

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION
as Bond Trustee

BOND TRUST INDENTURE

DATED AS OF JULY 1, 2024

\$374,895,000
Wisconsin Health and Educational Facilities Authority
Revenue Bonds, Series 2024A
(Marshfield Clinic Health System, Inc.)

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BOND TRUST INDENTURE

THIS BOND TRUST INDENTURE, dated as of July 1, 2024 (as amended, restated, supplemented or otherwise modified from time to time in accordance with its terms and the terms hereof, the “*Bond Indenture*”), is between the **WISCONSIN HEALTH AND EDUCATIONAL FACILITIES AUTHORITY**, a public body politic and corporate organized and existing under the laws of the State of Wisconsin (the “*Authority*”), and **U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION**, a national banking association duly established, existing and authorized to accept and execute trusts of the character herein set out under and by virtue of the laws of the United States (in its capacity as the trustee hereunder, the “*Bond Trustee*”).

PRELIMINARY STATEMENT

WHEREAS, the Authority has authorized the issuance of \$374,895,000 of its Revenue Bonds, Series 2024A (Marshfield Clinic Health System, Inc.) (the “*Series 2024A Bonds*” or the “*Bonds*”). The Series 2024A Bonds will be issued pursuant to Chapter 231 of the Wisconsin Statutes (as from time to time amended, the “*Act*”) and this Bond Indenture. The Series 2024A Bonds will be sold to the purchaser(s) identified in a Bond Purchase Agreement dated June 26, 2024 (collectively, the “*Underwriters*”) and accepted by the Authority and the Corporation (the “*Bond Purchase Agreement*”).

WHEREAS, the proceeds derived from the sale of the Series 2024A Bonds will be loaned to Marshfield Clinic Health System, Inc. (the “*Corporation*”) pursuant to a Loan Agreement dated as of July 1, 2024 (as amended, restated, supplemented or otherwise modified from time to time in accordance with its terms and the terms hereof, the “*Loan Agreement*”) between the Corporation and the Authority. To evidence its obligation to repay the loan, the Corporation will issue the Marshfield Clinic Health System, Inc. Obligated Group Series 2024B Master Note dated July 2, 2024 in the principal amount of \$374,895,000 (the “*Master Note*”). The Master Note is being issued under and pursuant to the Second Amended and Restated Master Trust Indenture dated as of October 1, 2016 between the Corporation, as Obligated Group Agent thereunder and The Bank of New York Mellon Trust Company, N.A., as current trustee thereunder (the “*Master Trustee*”), as previously supplemented and amended and as currently being supplemented and amended by the Supplemental Master Trust Indenture for the Series 2024B Master Note dated as of July 1, 2024 (the “*Supplement*”) between the Corporation, as Obligated Group Agent, and the Master Trustee (collectively, the “*Master Indenture*”). The Master Note will be substantially in the form set forth in the Supplement.

WHEREAS, the scheduled payment of principal and interest on the Insured Bonds is guaranteed by the Bond Insurance Policy issued by the Bond Insurer.

WHEREAS, the Series 2024A Bonds are being issued to (a) finance or reimburse the Corporation or a Benefitted Affiliate for costs associated with the acquisition, construction, renovation and equipping of the Project (as defined herein), (b) currently refund all or a portion of the Prior Bonds (as defined herein), and (c) pay certain costs associated with the issuance of

the Bonds, including the premium for the Bond Insurance Policy, and the refunding of the Prior Bonds.

WHEREAS, all things necessary to make the Series 2024A Bonds, when authenticated by the Bond Trustee and issued as in this Bond Indenture provided, the valid, binding and legal obligations of the Authority according to the import thereof, and to constitute this Bond Indenture a valid assignment and pledge of the payments and prepayments upon the Master Note in order to provide for the payment of the principal and purchase price of, premium, if any, and interest on the Series 2024A Bonds and a valid assignment of certain of the rights of the Authority under the Loan Agreement, have been done and performed, and the creation, execution and delivery of this Bond Indenture, and the creation, execution and issuance of the Series 2024A Bonds, subject to the terms hereof, have in all respects been duly authorized:

GRANTING CLAUSES

NOW THEREFORE, in consideration of the premises and of the purchase of the Series 2024A Bonds and of other good and lawful consideration, the receipt of which is hereby acknowledged, and to secure the payment of the principal and purchase price of, premium, if any, and interest on the Series 2024A Bonds (including, without limitation, Liquidity Facility Bonds), the rights of the Liquidity Facility Provider, if any, and the Credit Facility Provider, if any, hereunder and the performance and observance of all of the covenants and conditions contained herein, in the Series 2024A Bonds and in the Continuing Covenant Agreement, if any, the Authority has executed and delivered this Bond Indenture and has conveyed, granted, assigned, transferred, pledged, set over and confirmed and granted a security interest in and by these presents does hereby convey, grant, assign, transfer, pledge, set over and confirm and grant a security interest in, unto the Bond Trustee, its successor or successors and its or their assigns forever, all and singular the property hereinafter described (said property being herein sometimes referred to as the “*trust estate*”) to wit:

DIVISION I

All right, title and interest of the Authority in and to the funds created hereunder and all amounts held therein, including investment earnings;

DIVISION II

All right, title and interest of the Authority in and to the Master Note and all sums payable in respect of the indebtedness evidenced thereby;

DIVISION III

All right, title and interest of the Authority in and to the Loan Agreement and the amounts payable to the Authority thereunder (excluding Unassigned Rights); and

DIVISION IV

Any and all other property of every kind and nature from time to time hereafter, by delivery or by writing of any kind, conveyed, pledged, assigned or transferred as and for additional security hereunder by the Authority, the Corporation or any other Member of the

Obligated Group or by anyone on their behalf to the Bond Trustee, including without limitation funds of the Corporation or any other Member of the Obligated Group held by the Bond Trustee in any of the funds established hereunder as security for the Series 2024A Bonds;

EXCEPTED PROPERTY

THERE ARE, HOWEVER, expressly excepted and excluded from the lien and operation of this Bond Indenture amounts held by the Bond Trustee in the Purchase Fund created hereunder and in the Rebate Fund established by the Tax Exemption Agreement (as such terms are hereinafter defined);

TO HAVE AND TO HOLD, all and singular, the properties and the rights and privileges hereby conveyed, assigned and pledged by the Authority or intended so to be, unto the Bond Trustee and its successors and assigns forever, in trust, nevertheless, with power of sale for the equal and pro rata benefit and security of each and every holder of the Series 2024A Bonds (including, without limitation, Liquidity Facility Bonds) issued and to be issued hereunder, including without limitation, the Purchaser, if any, without preference, priority or distinction as to participation in the lien, benefit and protection hereof of one Series 2024A Bond (including, without limitation, Liquidity Facility Bonds) over or from the others, by reason of priority in the issue or negotiation or maturity thereof, or for any other reason whatsoever, except as herein otherwise expressly provided, so that, except as herein expressly provided, each and all of such Series 2024A Bonds (including, without limitation, Liquidity Facility Bonds) shall have the same right, lien and privilege under this Bond Indenture and shall be equally secured hereby with the same effect as if the same had all been made, issued and negotiated simultaneously with the delivery hereof and were expressed to mature on one and the same date, for the benefit and security of the Credit Facility Provider, if any, with respect to the obligations of the Corporation under a related Reimbursement Agreement, if any, for the benefit and security of the Liquidity Facility Provider, if any, with respect to the obligations of the Corporation under the Liquidity Facility or a related Reimbursement Agreement and for the benefit and security of the Purchaser, if any, with respect to the obligations of the Corporation under a Continuing Covenant Agreement, if any;

PROVIDED, NEVERTHELESS, and these presents are upon the express condition that if the Authority or its successors or assigns shall well and truly pay or cause to be paid the principal of such Series 2024A Bonds (including, without limitation, Liquidity Facility Bonds) with interest, including the payment of the Purchase Price for any Series 2024A Bonds (including, without limitation, Liquidity Facility Bonds), according to the provisions set forth in the Series 2024A Bonds (including, without limitation, Liquidity Facility Bonds) and each of them or shall provide for the payment or redemption of such Series 2024A Bonds (including, without limitation, Liquidity Facility Bonds) by irrevocably depositing or causing to be irrevocably deposited with the Bond Trustee the entire amount of funds or securities required for payment or redemption thereof when and as authorized by the provisions hereof, and shall also pay or cause to be paid all other sums payable hereunder by the Authority, then these presents and the estate and rights hereby granted shall cease, determine and become void, and thereupon the Bond Trustee, on payment of its lawful charges and disbursements then unpaid, on demand of the Authority and the Corporation and upon the payment of the cost and expenses thereof, shall duly execute, acknowledge and deliver to the Authority such instruments of satisfaction or release as may be necessary or proper to discharge this Bond Indenture, including if appropriate

any required discharge of record, and if necessary shall grant, convey, reassign and deliver to the Authority, its successors or assigns, all and singular the property, rights, privileges and interests by it hereby granted, conveyed, assigned and delivered, and all substitutes therefor, or any part thereof, not previously disposed of or released as herein provided; otherwise this Bond Indenture shall be and remain in full force;

AND IT IS HEREBY COVENANTED, DECLARED AND AGREED by and between the parties hereto that all Series 2024A Bonds (including, without limitation, Liquidity Facility Bonds) are to be issued, authenticated and delivered, and that all the trust estate is to be held and applied, subject to the further covenants, conditions, releases, uses and trusts hereinafter set forth, and the Authority, for itself and its successors, does hereby covenant and agree to and with the Bond Trustee and its respective successors in said trust, for the benefit of those who shall own the Series 2024A Bonds (including, without limitation, Liquidity Facility Bonds), or any of them, and for the benefit of the Credit Facility Provider, if any, and the Liquidity Facility Provider, if any, as follows:

ARTICLE I DEFINITIONS

Section 101. Definitions. Except as hereinafter provided, the terms used in this Bond Indenture shall have the same meanings as set forth in the Master Indenture. In addition to the words and terms defined in the Master Indenture or elsewhere in this Bond Indenture, the following words and terms as used in this Bond Indenture shall have the following meanings unless the context or use indicates another or different meaning or intent:

“*Act*” has the meaning attributed to it in the Preliminary Statement.

“*Affiliate*” has the meaning set forth in the Master Indenture.

“*Alternate Rate*” means, with respect to Series 2024A Bonds in a Daily Mode, Weekly Mode, Commercial Paper Mode or Term Rate Mode, the applicable annual rate determined as provided in Section 209 hereto.

“*Applicable Factor*” means, during any Bank Index Rate Period, (a) a percentage designated by the Market Agent (which shall be a percentage between 65.1% and 135%), or (b) such other percentage determined by the Market Agent in accordance with Section 210(B)(2)(b) or 210(C)(2) which in the Opinion of Bond Counsel will not adversely affect any exclusion from gross income for federal income tax purposes to which the Bonds would otherwise be entitled.

“*Applicable Spread*” means, with respect to each Bank Index Rate Period, the following:

(a) during any Bank Index Rate Period (other than a Subsequent Bank Index Rate Period), the number of basis points determined by the Market Agent on or before the first day of such Bank Index Rate Period, as applicable, and designated by the Corporation in accordance with 210(B) (which may include a schedule for the Applicable Spread based upon the ratings assigned to the long-term unenhanced parity debt of the Corporation and any other members of the Obligated Group) that, when added to the product of the Index multiplied by the Applicable Factor would in the judgment of the

Market Agent under then-existing market conditions equal the minimum interest rate per annum that would enable the Bonds to be sold on such date at a price equal to the principal amount thereof (without regard to accrued interest, if any, thereon); and

(b) during any Subsequent Bank Index Rate Period, the number of basis points determined by the Market Agent on or before the first day of such Subsequent Bank Index Rate Period and designated by the Corporation in accordance with Section 210(C)(1) (which may include a schedule for the Applicable Spread based upon the ratings assigned to the long-term unenhanced parity debt of the Corporation and any other members of the Obligated Group) that, when added to the product of the Index multiplied by the Applicable Factor would in the judgment of the Market Agent under then-existing market conditions equal the minimum interest rate per annum that would enable the Bonds to be sold on such date at a price equal to the principal amount thereof (without regard to accrued interest, if any, thereon).

“*Authority*” has the meaning attributed to it in the Preliminary Statement.

“*Authority’s Annual Fee*” means the fee that the Authority is authorized by the Act to charge and apportion among “*participating health institutions*”, “*participating educational institutions*”, “*participating research institutions*” and “*participating nonprofit institutions*” (as those terms are defined in the Act) to cover the Authority’s costs and expenses incurred in the exercise of the powers and duties conferred on it by the Act. The Authority’s Annual Fee may be increased or decreased from time to time by the Authority but for purposes of the Series 2024A Bonds cannot exceed one-tenth of one percent of the average principal amount of the Series 2024A Bonds Outstanding during the period beginning on July 2 of each year and ending on the immediately succeeding July 1.

“*Authority’s Documents*” means the Loan Agreement, this Bond Indenture, the Bond Purchase Agreement, the Tax Exemption Agreement and the Series 2024A Bonds.

“*Authority’s Expenses*” means, in addition to the Authority’s Annual Fee, the reasonable and necessary fees and expenses incurred by the Authority with respect to the Corporation’s Documents, the Bond Indenture, the Master Indenture, the Bonds, or the Bond Financed Property, including any advances made by the Authority plus interest on those advances as provided by any of the Corporation’s Documents and those for any legal, accounting, financial or other experts reasonably retained by the Authority.

“*Authorized Corporation Representative*” means any person identified in a written certificate that is signed by an officer of the Corporation, that contains a specimen of such Authorized Corporation Representative’s signature and that has been delivered to the Bond Trustee. Authorized Corporation Representative includes any alternate or alternates designated in the certificate in the same manner. An Authorized Corporation Representative may be an employee of the Corporation.

“*Authorized Denomination*” means denominations of

(a) \$25,000 and any integral multiple thereof with respect to Series 2024A Bonds in an Indexed Mode,

(b) \$100,000 and any integral multiple of \$5,000 in excess thereof with respect to Series 2024A Bonds in the Daily Mode, the Weekly Mode or the Commercial Paper Mode,

(c) \$5,000 and any integral multiple thereof, with respect to Series 2024A Bonds in the Term Rate Mode or the Fixed Rate Mode,

(d) \$250,000 and any integral multiple of \$5,000 in excess thereof with respect to Series 2024A Bonds in the Bank Index Mode or the Bank Fixed Mode, and

(e) \$25,000 and any integral multiple of \$5,000 in excess thereof with respect to the 2024A Bonds in the R-FLOATs Rate Mode.

“*Authorized Officer*” with respect to the Authority means the Chairperson, Vice Chairperson or Executive Director or Associate Executive Director of the Authority or any other officer authorized by the Authority to take action pursuant herewith, and with respect to the Corporation means its President, Chief Executive Officer, Senior Vice President, Chief Financial Officer, any Vice President, Treasurer or any other officer authorized to sign by resolution of the Governing Body of the Corporation.

“*Automatic Termination Event*” or “*Automatic Termination Events*” means an event or events of default specified in the Liquidity Facility resulting in the immediate termination, without notice from the Liquidity Facility Provider or mandatory tender, of the Liquidity Facility Provider’s obligation to purchase Liquidity Facility Bonds to the extent and pursuant to the limitations provided in the Liquidity Facility.

“*Bank Fixed Mode*” means the Mode during which the Series 2024A Bonds bear interest at a Bank Fixed Rate (including during a Subsequent Bank Fixed Rate Period); provided that, unless otherwise specifically indicated herein, references to the Bank Fixed Mode shall include Bonds bearing interest at the Term-Out Rate immediately following a Bank Fixed Rate Purchase Date if the Series 2024A Bonds are in a Term-Out Period pursuant to Section 210(D) hereof and a Term-Out Period is provided in the Continuing Covenant Agreement.

“*Bank Fixed Rate*” means the per annum interest rate with respect to any Series 2024A Bonds determined on a Rate Determination Date for each Bank Fixed Rate Period and set by the Market Agent pursuant to Section 210(A) hereof. The Bank Fixed Rate shall be subject to adjustment pursuant to Section 210(F) hereof.

“*Bank Fixed Rate Period*” means

(a) each period (other than a Subsequent Bank Fixed Rate Period) during which the Series 2024A Bonds bear interest at a Bank Fixed Rate from and including a Bank Rate Change Date to, but not including, the earlier of (i) the immediately succeeding Bank Fixed Rate Purchase Date, (ii) the next succeeding Mode Change Date, (iii) the date on which the Bonds are redeemed in full and (iv) the Maturity Date, and

(b) any Subsequent Bank Fixed Rate Period.

“*Bank Fixed Rate Purchase Date*” means, during any Bank Fixed Rate Period,

(a) the date designated by the Corporation pursuant to Section 210(A) or 210(C) hereof, and

(b) the date that is seven calendar days (or if such seventh calendar day is not a Business Day, the next Business Day) after the date on which the Bond Trustee receives written notice from the Purchaser under a Continuing Covenant Agreement that (i) advises the Bond Trustee of the occurrence and continuance of an “Event of Default” under and as defined in such Continuing Covenant Agreement and (ii) directs the Bond Trustee to cause a mandatory tender of the Series 2024A Bonds held by such Purchaser by reason of such “Event of Default.”

“*Bank Index Mode*” means the Mode during which the Series 2024A Bonds bear interest at a Bank Index Rate (including during a Subsequent Bank Index Rate Period); provided that, unless otherwise specifically indicated herein, references to the Bank Index Mode shall include Bonds bearing interest at the Term-Out Rate immediately following a Bank Index Rate Purchase Date if the Series 2024A Bonds are in a Term-Out Period pursuant to Section 210(D) hereof and a Term-Out Period is provided in the Continuing Covenant Agreement.

“*Bank Index Rate*” means the per annum interest rate with respect to any Series 2024A Bonds determined on each Rate Determination Date during each Bank Index Rate Period equal to the sum of (a) the product of (i) the Index on the Rate Determination Date and (ii) the Applicable Factor plus (b) the Applicable Spread, as calculated pursuant to Sections 210(B) and 210(C) hereof and subject to adjustment pursuant to Section 210(F) hereof.

“*Bank Index Rate Period*” means

(a) each period (other than a Subsequent Bank Index Rate Period) during which the Series 2024A Bonds bear interest at a Bank Index Rate from and including a Bank Rate Change Date to, but not including, the earliest of (i) the immediately succeeding Bank Index Rate Purchase Date, (ii) the next succeeding Mode Change Date, (iii) the date on which the Bonds are redeemed in full and (iv) the Maturity Date, and

(b) any Subsequent Bank Index Rate Period.

“*Bank Index Rate Purchase Date*” means, during any Bank Index Rate Period,

(a) during any Bank Index Rate Period, the date designated by the Corporation pursuant to Section 210(B) or 210(C), as applicable, and

(b) the date that is seven calendar days (or if such seventh calendar day is not a Business Day, the next Business Day) after the date on which the Bond Trustee receives written notice from the Purchaser under a Continuing Covenant Agreement that (i) advises the Bond Trustee of the occurrence and continuance of an “Event of Default” under and as defined in such Continuing Covenant Agreement and (ii) directs the Bond Trustee to cause a mandatory tender of the Series 2024A Bonds held by such Purchaser by reason of such “Event of Default.”

“*Bank Index Rate Reset Date*” means (i) when the Index for a Bank Index Rate Period is Term SOFR, the SOFR Reset Date, or (ii) when the Index for a Bank Index Rate Period is SIFMA Municipal Index, Thursday of each week.

“*Bank Rate Change Date*” means

(a) the date on which the Series 2024A Bonds begin to bear interest at a Bank Index Rate or a Bank Fixed Rate, and

(b) if the Series 2024A Bonds are presently bearing interest at a Bank Index Rate or a Bank Fixed Rate during a Bank Rate Period, the Mode Change Date on which a new Bank Rate Period shall commence.

“*Bank Rate Period*” means a Bank Index Rate Period or a Bank Fixed Rate Period.

“*Bank Rate Purchase Date*” means a Bank Index Rate Purchase Date, a Bank Fixed Rate Purchase Date or a Term-Out Purchase Date.

“*Benefited Affiliate*” means any Affiliate of the Corporation that owns or uses Bond Financed Property. On the date of this Bond Indenture, the Benefited Affiliates are expected to be Marshfield Clinic, Inc. and MCHS Hospitals, Inc.

“*Blanket Letter of Representations*” means the Blanket Letter of Representations from the Authority to DTC dated December 12, 2022.

“*Bond Counsel*” means any nationally recognized municipal bond counsel acceptable to the Authority.

“*Bond Financed Property*” means any and all property of the Corporation or a Benefitted Affiliate financed or refinanced, directly or indirectly, with the proceeds of the Bonds, including without limitation the Project and property financed or refinanced with the proceeds of the Prior Bonds, as more specifically detailed in the Tax Exemption Agreement.

“*Bond Indenture*” means this Bond Trust Indenture dated as of July 1, 2024 between the Authority and the Bond Trustee, as it may from time to time be amended or supplemented.

“*Bond Insurance Policy*” means the Municipal Bond Insurance Policy issued by the Bond Insurer that guarantees the scheduled payment of principal of and interest on the Insured Bonds when due.

“*Bond Insurer*” means Build America Mutual Assurance Company, a mutual insurance corporation organized under the laws of, and domiciled in, the State of New York, or any successor thereto.

“*Bond Purchase Agreement*” has the meaning attributed to it in the Preliminary Statement.

“*Bond Register*” means the registration books kept by the Bond Trustee to evidence the registration and transfer of Series 2024A Bonds.

“*Bond Sinking Fund*” means the fund by that name established under Section 404 hereof.

“*Bond Trustee*” means U.S. Bank Trust Company, National Association or any successor trustee under this Bond Indenture.

“*Bondholder*,” “*holder*,” “*Holder*” or “*owner of the Series 2024A Bonds*” means the registered owner of any Series 2024A Bond.

“*Bonds*” means the Series 2024A Bonds.

“*Business Day*” means a day which is not (a) a Saturday, Sunday or legal holiday on which banking organizations in the State of New York or the city in which the Principal Office of the Liquidity Facility Provider, if any, the Credit Facility Provider, if any, the Remarketing Agent, if any, the Tender Agent, if any, the Purchaser, if any, the Market Agent, if any, the Index Agent, if any, or the Bond Trustee is located are authorized or required by law to close and on which such entity is in fact closed or (b) a day on which the New York Stock Exchange or Federal Reserve Banks are closed.

“*Closing Date*” means July 2, 2024, the date of issuance and delivery of the Series 2024A Bonds.

“*CME Term SOFR Administrator*” means CME Group Benchmark Administration Limited as administrator of the forward-looking term Secured Overnight Financing Rate (or a successor administrator).

“*Code*” means the Internal Revenue Code of 1986, as amended from time to time. Each reference to a section of the Code herein shall be deemed to include the United States Treasury Regulations, including temporary and proposed regulations, relating to such Section which Section and Regulations are applicable to the Series 2024A Bonds or the use of the proceeds thereof.

“*Commercial Paper Mode*” means the Mode during which any Series 2024A Bonds bear interest at the Commercial Paper Rate.

“*Commercial Paper Rate*” means the per annum interest rate with respect to any Series 2024A Bond in the Commercial Paper Mode determined pursuant to Section 205 hereof.

“*Completion Certificate*” means a certificate signed by the Authorized Corporation Representative (a) stating, without prejudice as to rights against third parties, the date of completion of the Project and that all costs and expenses incurred in connection with the Project and expected to be paid with proceeds of the Series 2024A Bonds have been paid except for specified amounts either that are not yet due and payable or that the Corporation is contesting in good faith by appropriate proceedings, (b) stating that all permits for the occupancy and use of the Project have been obtained, if applicable, and (c) either (i) demonstrating that the weighted average maturity of the Bonds does not exceed 120% of the average reasonably expected economic life of the Bond Financed Property (taking into account any additions to or deletions from the Project as originally contemplated in the Tax Exemption Agreement), calculated in accordance with Section 147 of the Code or (ii) containing the agreement of the Corporation to sufficiently shorten the weighted average maturity of the Bonds so that the condition described in

(i) will be met through a defeasance or optional redemption of a portion of the Bonds as provided in Section 7.16 of the Loan Agreement.

“*Continuing Covenant Agreement*” means any agreement between the Corporation and/or one or more other Members of the Obligated Group and a Purchaser that is designated as a Continuing Covenant Agreement hereunder, in each case as amended, restated, supplemented or otherwise modified from time to time in accordance with the terms thereof and Section 1004 of this Bond Indenture.

“*Continuing Disclosure Agreement*” means the Continuing Disclosure Undertaking dated July 2, 2024 by the Corporation, on its own behalf and as Obligated Group Agent on behalf of the Members of the Obligated Group.

“*Corporation*” means Marshfield Clinic Health System, Inc., a Wisconsin nonstock nonprofit corporation, and its successors and assigns and any surviving, resulting or transferee corporation.

“*Corporation’s Closing Certificate*” means the Officer’s Certificate of the Corporation dated the date of and delivered at the time of the issuance and sale of the Bonds.

“*Corporation’s Documents*” means the Loan Agreement, the Bond Purchase Agreement, the Master Note, the Escrow Agreements, the Tax Exemption Agreement, the Mortgage, the Continuing Disclosure Agreement and all other documents to which the Corporation is a party related to the issuance or the remarketing of the Bonds.

“*Credit Facility*” means a letter of credit and may include a confirming letter of credit or similar credit facility issued by a Credit Facility Provider which, by its terms and conditions, shall secure the payment of the principal of and interest on the Series 2024A Bonds in an Eligible Moneys Mode when due, and delivered to the Bond Trustee at the option of the Corporation pursuant to Section 7.13 of the Loan Agreement, as it may be amended, restated, supplemented or otherwise modified from time to time in accordance with the terms thereof. If the Credit Facility securing the Series 2024A Bonds is also a Liquidity Facility, the terms governing both Credit Facilities and Liquidity Facilities herein shall apply. The Series 2024A Bonds shall be initially issued without the support of a Credit Facility. The Bond Insurance Policy is not considered a Credit Facility for purposes of this Bond Indenture. In the event of a conflict between the rights and provisions for the benefit of a Credit Facility Provider and the Bond Insurer, the provisions set forth in Article XIV with respect to the Bond Insurer shall control.

“*Credit Facility Default Tender Date*” means the Business Day designated by the Bond Trustee pursuant to Section 508(C) hereof on which Series 2024A Bonds are subject to mandatory tender following receipt by the Bond Trustee of (a) written notice from the Credit Facility Provider that an event of default has occurred and is continuing under the Reimbursement Agreement and directing a mandatory tender of the Bonds, which date shall be the Business Day immediately following receipt by the Bond Trustee of such notice or (b) a written notice from the Credit Facility Provider that the Credit Facility Provider is not reinstating the interest portion of the Credit Facility, which date must be the Business Day immediately following receipt of such notice by the Bond Trustee.

“*Credit Facility Provider*” means the bank, savings institution, insurer or other financial institution issuing a Credit Facility. The Bond Insurer is not considered a Credit Facility Provider for purposes of this Bond Indenture. In the event of a conflict between the rights and provisions for the benefit of a Credit Facility Provider and the Bond Insurer, the provisions set forth in Article XIV with respect to the Bond Insurer shall control.

“*Current Mode*” shall have the meaning specified in Section 212 hereof.

“*Daily Mode*” means the Mode during which Series 2024A Bonds bear interest at the Daily Rate.

“*Daily Rate*” means an interest rate that is determined on each Business Day with respect to the Series 2024A Bonds in the Daily Mode pursuant to Section 206 hereof.

“*Date of Original Issuance*” means the Closing Date.

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

“*Default Rate*” means (i) when there is no Continuing Covenant Agreement in effect, the then current interest rate in effect with respect to the Series 2024A Bonds plus 3.00% or (ii) the Default Rate as defined and set forth in the Continuing Covenant Agreement, if any.

“*Defaulted Interest*” means interest on any Series 2024A Bond which is payable but not duly paid on the date due.

“*Depository Participant*” means those broker-dealers, banks and other financial institutions reflected on the books of the Securities Depository as holding beneficial interests in the Series 2024A Bonds.

“*Determination of Taxability*” means and shall be deemed to have occurred on the first to occur of the following:

(a) on the date when the Corporation or any Member of the Obligated Group files any statement, supplemental statement or other tax schedule, return or document which specifically discloses that an Event of Taxability shall have in fact occurred;

(b) on the date when the Authority, the Corporation or any Member of the Obligated Group shall be advised in writing by the Commissioner of the Internal Revenue Service or the District Director of Tax-Exempt Bonds of the Tax-Exempt and Government Entities Division of the Internal Revenue Service (or any other government official or agent exercising the same or a substantially similar function from time to time) that, based upon filings of the Corporation or any Member of the Obligated Group, or upon any review or audit of the Corporation or such Member of the Obligated Group or upon any other ground whatsoever, an Event of Taxability shall have occurred; or

(c) on the date when the Corporation shall receive notice from a Bondholder or any former Bondholder that the Internal Revenue Service (or any other government official or agency exercising the same or a substantially similar function from time to

time) has assessed as includable in the gross income of such Bondholder or such former Bondholder the interest on the Bonds due to the occurrence of an Event of Taxability;

provided, however, no Determination of Taxability shall occur under subparagraph (b) or (c) hereunder unless the Obligated Group has been afforded the opportunity, at its expense, to contest any such assessment, and, further, no Determination of Taxability shall occur until such contest, if made, has been finally determined; provided further, however, that upon demand from the Bondholder or former Bondholder, the Authority shall promptly reimburse (but solely from payments made to the Authority by the Obligated Group for such purpose) such Bondholder or former Bondholder for any payments, including any taxes, interest, penalties or other charges, such Bondholder (or former Bondholder) shall be obligated to make as a result of the Determination of Taxability.

“*DTC*” means The Depository Trust Company.

“*Electronic Means*” means facsimile transmission, a portable document format (“pdf”) or other replicating image attached to an email transmission or other similar electronic means of communication providing evidence of transmission, including a telephonic communication confirmed by any other method set forth above.

“*Eligible Bonds*” means any Series 2024A Bonds other than (a) Liquidity Facility Bonds or (b) Series 2024A Bonds owned by, for the account of, or on behalf of, the Authority or the Corporation or any Affiliate of the Corporation.

“*Eligible Moneys*” means

(a) Series 2024A Bond proceeds deposited with the Bond Trustee contemporaneously with the issuance and sale of the Series 2024A Bonds and which were continuously thereafter held subject to the lien of this Bond Indenture in a separate and segregated fund, account or subaccount established under this Bond Indenture in which no moneys which were not Eligible Moneys were at any time held, together with investment earnings on such Series 2024A Bond proceeds;

(b) moneys (i) paid by the Corporation or any other Member of the Obligated Group to the Bond Trustee, (ii) held in any fund, account or subaccount established under this Bond Indenture in which no other moneys which are not Eligible Moneys are held and (iii) which have so been on deposit with the Bond Trustee for at least one calendar year from their receipt by the Bond Trustee, during and prior to which period no petition by or against the Authority, the Corporation or any other Member of the Obligated Group to which such moneys are attributable under any bankruptcy or similar law now or hereafter in effect shall have been filed and no bankruptcy or similar proceeding otherwise initiated (unless such petition or proceeding shall have been dismissed and such dismissal be final and not subject to appeal), together with investment earnings on such moneys, if the Bond Trustee has received an unqualified opinion of nationally recognized bankruptcy counsel selected by the Corporation or any other Member of the Obligated Group (which opinion may assume that no Bondholders are “insiders” within the meaning of the Bankruptcy Code) to the effect that payment of such amounts to Bondholders would not be avoidable as preferential payments under Section 547 of the

Bankruptcy Code should the Authority, the Corporation or any other Member of the Obligated Group become a debtor in a proceeding commenced thereunder;

(c) moneys received by the Bond Trustee from any draw on the Credit Facility or the Liquidity Facility, together with investment earnings on such moneys;

(d) proceeds from the remarketing or resale of any Series 2024A Bonds pursuant to the provisions of this Bond Indenture to any Person other than the Corporation, any other Member of the Obligated Group or the Authority;

(e) proceeds from the issuance and sale of refunding bonds, together with the investment earnings on such proceeds, if there is delivered to the Bond Trustee at the time of issuance and sale of such bonds an opinion of nationally recognized bankruptcy counsel selected by the Corporation or any other Member of the Obligated Group (which opinion may assume that no Bondholders are “insiders” within the meaning of the Bankruptcy Code) to the effect that the use of such proceeds and investment earnings to pay the principal of, premium, if any, or interest on the Series 2024A Bonds would not be avoidable as preferential payments under Section 547 of the Bankruptcy Code should the Authority, the Corporation or any other Member of the Obligated Group become a debtor in a proceeding commenced thereunder; and

(f) moneys which are derived from any other source, together with the investment earnings on such moneys, if the Bond Trustee has received an unqualified opinion of nationally recognized bankruptcy counsel selected by the Corporation or any other Member of the Obligated Group (which opinion may assume that no Bondholders are “insiders” within the meaning of the Bankruptcy Code) to the effect that payment of such amounts to Bondholders would not be avoidable as preferential payments under Section 547 of the Bankruptcy Code should the Authority, the Corporation or any other Member of the Obligated Group become a debtor in a proceeding commenced thereunder; provided that such proceeds, moneys or income shall not be deemed to be Eligible Moneys or available for payment of the Series 2024A Bonds if, among other things, an injunction, restraining order or stay is in effect preventing such proceeds, moneys or income from being applied to make such payment.

“*Eligible Moneys Modes*” means the Daily Mode, the Weekly Mode and the Commercial Paper Mode.

“*Escrow Agreements*” means, collectively, the Series 2020B-1 Bonds Escrow Agreement and the Series 2022A Bonds Escrow Agreement.

“*Event of Default*” means any occurrence or event specified in Section 702 hereof.

“*Event of Taxability*” means a (a) change in Law or fact or the interpretation thereof, or the occurrence or existence of any fact, event or circumstance (including, without limitation, the taking of any action by any Member of the Obligated Group or any Benefitted Affiliate, or the failure to take any action by any Member of the Obligated Group or any Benefitted Affiliate, or the making by any Member of the Obligated Group or any Benefitted Affiliate of any misrepresentation herein or in any certificate required to be given in connection with the issuance, sale or delivery of the Bonds) which has the effect of causing interest paid or payable

on the Bonds to become includable, in whole or in part, in the gross income of the Bondholder or any former Bondholder for federal income tax purposes or (b) the entry of any decree or judgment by a court of competent jurisdiction, or the taking of any official action by the Internal Revenue Service or the Department of the Treasury, which decree, judgment or action shall be final under applicable procedural law, in either case, which has the effect of causing interest paid or payable on the Bonds to become includable, in whole or in part, in the gross income of the Bondholder or any former Bondholder for federal income tax purposes with respect to the Bonds.

“*Executive Director*” means the Executive Director or Associate Executive Director of the Authority, a duly authorized acting Executive Director or Associate Executive Director of the Authority or the officer succeeding to the duties presently exercised by the Executive Director or Associate Executive Director of the Authority.

“*Expense Fund*” means the fund by that name established under Section 302 hereof.

“*Expiration Date*” means (a) the date upon which a Liquidity Facility or a Credit Facility is scheduled to expire (taking into account any extensions of such Expiration Date) in accordance with its terms without regard to any early termination thereof, (b) the date upon which a Liquidity Facility terminates following voluntary termination by the Corporation pursuant to Section 7.10(c) of the Loan Agreement and (c) the date upon which a Credit Facility terminates following voluntary termination by the Corporation pursuant to Section 7.13 of the Loan Agreement.

“*Facility*” or “*Facilities*” means the Corporation’s and the Benefitted Affiliates’ existing hospital, health care and related facilities, the Bond Financed Property and all additions and improvements to any of them.

“*Favorable Opinion of Bond Counsel*” means, with respect to any action the occurrence of which requires such an opinion, an unqualified opinion of Bond Counsel to the effect that such action is permitted under this Bond Indenture and will not, in and of itself, adversely affect the validity or enforceability of the Series 2024A Bonds or any exclusion from gross income for federal income tax purposes to which interest on the Bonds would otherwise be entitled (subject to the inclusion of any exceptions contained in the opinion or opinions of Bond Counsel delivered upon original issuance of the Series 2024A Bonds and which opinion may be based upon a ruling or rulings of the Internal Revenue Service), and containing any other opinion specifically required by the provisions of this Bond Indenture.

“*Financial Statement Recipients*” means the Authority, the Bond Trustee, the Liquidity Facility Provider, if any, the Credit Facility Provider, if any, the Purchaser, if any, and any firm or corporation which has, at the request of the Corporation, assigned a credit rating to the Series 2024A Bonds.

“*Fitch*” means Fitch Ratings, Inc., a corporation organized and existing under the laws of the State of New York, 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 Authority at the written

direction of the Corporation with written notice to the Authority, the Liquidity Facility Provider and the Bond Trustee.

“*Fixed Rate*” means, initially, the interest rate per annum specified for each maturity of the Series 2024A Bonds as set forth in Section 204, and for any other Fixed Rate Period, the fixed interest rate or rates on Series 2024A Bonds determined pursuant to and in accordance with Sections 208, 212(B), 212(C) and 502(B) hereof.

“*Fixed Rate Bonds*” means the Series 2024A Bonds during a Fixed Rate Mode.

“*Fixed Rate Mode*” means a Mode during which Series 2024A Bonds bear interest at a Fixed Rate.

“*Fixed Rate Period*” means, initially, the period from the Closing Date to the Maturity Date of the Series 2024A Bonds and for any subsequent period, from the date the Series 2024A Bonds are converted to a Fixed Rate Mode to the Maturity Date of such Series 2024A Bonds.

“*Fund*” means any of the funds established pursuant to this Bond Indenture.

“*Governing Body*” means the board of directors, the board of trustees or similar group in which the right to exercise the powers of corporate directors or trustees is vested.

“*Governmental Authority*” means the government of the United States or any other nation or any political subdivision thereof or any governmental or quasi-governmental entity, including any court, department, commission, board, bureau, agency, administration, central bank, service, district or other instrumentality of any governmental entity or other entity exercising executive, legislative, judicial, taxing, regulatory, fiscal, monetary or administrative powers or functions of or pertaining to government, or any arbitrator, mediator or other Person with authority to bind a party at law.

“*Immediate Notice*” means notice by telephone, email transmission or telecopier to such address as the addressee shall have provided in writing, promptly followed by written notice by first class mail, postage prepaid; provided, however, that if any Person required to give an Immediate Notice shall not have been provided with the necessary information as to the telephone, email transmission or telecopier number of an addressee, Immediate Notice shall mean written notice by first class mail, postage prepaid.

“*Independent Counsel*” means an attorney duly admitted to practice law before the highest court of any state and, without limitation, may include independent legal counsel for the Corporation, any Benefited Affiliate, any other Member of the Obligated Group, the Authority, the Master Trustee or the Bond Trustee.

“*Index*” means, during any Bank Index Rate Period, either the SIFMA Municipal Index or Term SOFR, as selected by the Corporation.

“*Index Agent*” means for any Bank Index Rate Period, such financial institution or financial advisory firm as designated by the Corporation pursuant to Section 210(E) hereof.

“*Indexed Mode*” means the Mode during which the Series 2024A Bonds bear interest at the Indexed Rate.

“*Indexed Rate*” means an interest rate that is determined with respect to the Series 2024A Bonds in the Indexed Mode pursuant to Section 207(A) hereof, provided, however, that the Indexed Rate shall never exceed the Maximum Rate.

“*Insured Bonds*” shall mean, collectively, the Series 2024A Bonds maturing on (i) February 15, 2054 bearing interest at a rate of 5.250% and (ii) February 15, 2054 bearing interest at a rate of 4.500%.

“*Interest Fund*” means the fund by that name created pursuant to Section 403 hereof.

“*Interest Payment Date*” means

(a) with respect to Series 2024A Bonds in a Daily Mode or a Weekly Mode, the first Business Day of each month, commencing the first Business Day of the month following the date on which the change to such Mode occurs;

(b) with respect to Series 2024A Bonds in a Commercial Paper Mode (i) with an Interest Period of 180 days or less, the Purchase Date, and (ii) with an Interest Period of 181 days or more, the first Business Day to occur six calendar months following the date on which the change to such Mode occurs and (iii) the Purchase Date;

(c) with respect to Series 2024A Bonds in a Term Rate Mode, the first February 15 or August 15 following the month in which the conversion to the Term Rate Mode occurs, each February 15 and August 15 thereafter and the Purchase Date;

(d) with respect to Series 2024A Bonds for the initial Fixed Rate Period, each February 15 and August 15, commencing August 15, 2024, and thereafter when the Series 2024A Bonds are in the Fixed Rate Mode, the first February 15 or August 15 following the month in which the conversion to the Fixed Rate Mode occurs and each February 15 and August 15 thereafter;

(e) with respect to Series 2024A Bonds in an Indexed Mode, each February 15 or August 15 or such other dates determined by the Remarketing Agent pursuant to Section 207(A) hereof;

(f) with respect to Series 2024A Bonds in a Bank Fixed Mode, the first February 15 and August 15 following the month in which a conversion to the Bank Fixed Mode occurs and each February 15 and August 15 thereafter;

(g) with respect to Series 2024A Bonds in a Bank Index Mode, the first Business Day of the month following the month in which a conversion to the Bank Index Mode occurs and the first Business Day of each month thereafter for each Interest Payment Period;

(h) (i) for any Bond in an R-FLOATs Rate Mode other than an R-FLOATs Term Period, the first Business Day of the month following the month in which the

conversion to the R-FLOATs Rate Mode occurs and the first Business Day of each month thereafter, (ii) during any R-FLOATs Term Period of 180 days or less, the Business Day immediately following the end of such R-FLOATs Term Period and (iii) during any R-FLOATs Term Period of more than 180 days, each February 15 and August 15 during such R-FLOATs Term Period and the Business Day immediately following the end of such R-FLOATs Term Period;

- (i) any Mode Change Date;
- (j) any Substitute Credit Facility Date;
- (k) any Substitute Liquidity Facility Date;
- (l) any Purchase Date;
- (m) any Mandatory Purchase Date;
- (n) the respective Maturity Dates of the Series 2024A Bonds;
- (o) with respect to Liquidity Facility Bonds, the dates set forth in the Reimbursement Agreement or the Liquidity Facility, as applicable; and
- (p) the date of conversion to a Subsequent Bank Fixed Rate Period or Subsequent Bank Index Rate Period pursuant to Section 201(C) hereof.

“Interest Payment Period” means the period commencing on the last Interest Payment Date to which interest has been paid on a Series 2024A Bond (or, if no interest has been paid from the Date of Original Issuance of the Series 2024A Bond, commencing on the Date of Original Issuance) to, but not including, the Interest Payment Date on which interest is to be paid.

“Interest Period” means the period of time that an interest rate remains in effect, which period:

- (a) with respect to Series 2024A Bonds in a Daily Mode, commences on a Business Day and extends to, but does not include, the next succeeding Business Day;
- (b) with respect to Series 2024A Bonds in a Weekly Mode, commences on the first day such Series 2024A Bonds begin to accrue interest in the Weekly Mode and ends on the next succeeding Wednesday, and thereafter commences on each Thursday and ends on Wednesday of the following week;
- (c) with respect to Series 2024A Bonds in a Commercial Paper Mode, shall be established by the Remarketing Agent pursuant to Section 205 hereof;
- (d) with respect to Series 2024A Bonds in an Indexed Mode, commences on the first day Series 2024A Bonds begin to accrue interest in the Indexed Mode and ends on the day prior to the final Maturity Date of the Series 2024A Bonds;

(e) with respect to Series 2024A Bonds in a Term Rate Mode, shall be from and including the Mode Change Date to, but not including, the Purchase Date established pursuant to Section 207 hereof and thereafter shall be from and including such Purchase Date to but not including the next Purchase Date; provided that the Interest Period shall be at least 180 days in length.

(f) with respect to Series 2024A Bonds in a Fixed Rate Mode, shall be the Fixed Rate Period;

(g) with respect to Series 2024A Bonds in a Bank Fixed Mode (including during any Term-Out Period), shall be each Bank Fixed Rate Period;

(h) with respect to Series 2024A Bonds in a Bank Index Mode (including during any Term-Out Period), commences on and includes the first day Series 2024A Bonds begin to accrue interest in the Bank Index Mode and (i) when the Index is Term SOFR, ends on and includes the last day (whether a Business Day or not) of the same month, and thereafter commences on and includes the first day of each month and ends on and includes the last day (whether a Business Day or not) of the same month or (ii) when the Index is the SIFMA Municipal Index, ends on and includes the immediately succeeding Wednesday (whether a Business Day or not), and thereafter commences on and includes Thursday of each week and ends on and includes the Wednesday (whether a Business Day or not) of the immediately succeeding week; and

(i) with respect to Series 2024A Bonds in an R-FLOATs Rate Mode, commences on and includes the first day the Series 2024A Bonds begin to accrue interest in the R-FLOATs Rate Mode for an R-FLOATs Period to the immediately succeeding R-FLOATs Reset Date for such Series 2024A Bonds all as more specifically described in Section 211 hereof.

“Interested Parties” means the Authority, the Corporation, any other Member of the Obligated Group, the Benefited Affiliates, the Bond Trustee, the Tender Agent, the Paying Agent (if any), the Liquidity Facility Provider (if any), the Remarketing Agent (if any) and the Bondholders.

“Issuing Expenses” means fees and expenses incurred or to be incurred by or on behalf of the Authority, the Bond Trustee, the Master Trustee, the Corporation or Bond Counsel for the Bonds in connection with the issuance and sale of the Bonds including, but not limited to, underwriting costs (whether in the form of discount in the purchase of the Bonds or otherwise), fees and expenses of legal counsel (including Bond Counsel and Counsel for the Authority, the Bond Trustee and the Corporation), fees and expenses of financial advisors, feasibility consultants and accountants, rating agency fees, fees and expenses of the Bond Trustee, fees and expenses of the Purchaser, printing costs, recording expenses, costs associated with the acquisition of securities for any defeasance escrow and for verifying the sufficiency of any defeasance escrow and title insurance and survey costs.

“Laws” means, collectively, all international, foreign, federal, state and local statutes, treaties, rules, guidelines, regulations, ordinances, codes and administrative or judicial precedents or authorities, including the interpretation or administration thereof by any

Governmental Authority charged with the enforcement, interpretation or administration thereof, and all applicable administrative orders, directed duties, requests, licenses, authorizations and permits of, and agreements with, any Governmental Authority, in each case whether or not having the force of law.

“*Liquidity Facility*” means a standby bond purchase agreement, letter or line of credit or similar liquidity facility issued by a Liquidity Facility Provider which, by its terms and conditions, provides for the payment of the Purchase Price of Series 2024A Bonds in an Eligible Moneys Mode tendered and not remarketed, and delivered to the Tender Agent at the option of the Corporation pursuant to Section 7.10 of the Loan Agreement, as it may be amended, restated, supplemented or otherwise modified from time to time in accordance with the terms thereof. If the Liquidity Facility securing the Series 2024A Bonds is also a Credit Facility, the terms governing both Credit Facilities and Liquidity Facilities herein shall apply. The Series 2024A Bonds shall be initially issued without the support of a Liquidity Facility.

“*Liquidity Facility Bond Rate*” means the interest rate(s) applicable from time to time to Liquidity Facility Bonds as determined in accordance with the related Reimbursement Agreement or Liquidity Facility, as applicable, which shall initially be the “Bank Rate” as defined in the Initial Liquidity Facility. The Liquidity Facility Bond Rate shall apply only to Liquidity Facility Bonds.

“*Liquidity Facility Bond Sale Date*” means the day on which a Liquidity Facility Bond ceases to be a Liquidity Facility Bond.

“*Liquidity Facility Bonds*” means Series 2024A Bonds purchased by a Liquidity Facility Provider pursuant to a Liquidity Facility, but excluding Series 2024A Bonds no longer considered Liquidity Facility Bonds pursuant to the terms of such Liquidity Facility.

“*Liquidity Facility Deposit Account*” means the account by that name within the Purchase Fund established pursuant to Section 510 hereof.

“*Liquidity Facility Event of Default*” has the meaning assigned to the term “Event of Default” set forth in the Liquidity Facility.

“*Liquidity Facility Provider*” means (a) the bank, savings institution, insurer or other financial institution providing a Liquidity Facility, or (b) the Corporation or any company or group of companies with which the Corporation is affiliated issuing a Liquidity Facility, in either case, which Liquidity Facility Provider is acceptable to the Credit Facility Provider, if any.

“*Loan*” means the loan made by the Authority to the Corporation under the Loan Agreement.

“*Loan Agreement*” means the Loan Agreement dated as of July 1, 2024 between the Corporation and the Authority relating to the proceeds of the Series 2024A Bonds, as it may from time to time be amended, restated, supplemented or otherwise modified from time to time.

“*LOC Interest Account*” means the account by that name in the Interest Fund established under Section 403 hereof.

“*LOC Principal Account*” means the account by that name in the Bond Sinking Fund established under Section 404 hereof.

“*LOC Redemption Account*” means the account by that name in the Redemption Fund established under Section 405 hereof.

“*Long-Term Mode*” means the Indexed Mode, the Term Rate Mode, the Fixed Rate Mode, the Bank Fixed Mode with a Bank Fixed Rate Period in excess of 365 days, or the Bank Index Mode with a Bank Index Rate period in excess of 365 days or the R-FLOATs Rate Mode bearing interest at an R-FLOATs Term Rate.

“*Mandatory Purchase Date*” means: (a) any Purchase Date for Series 2024A Bonds in the Commercial Paper Mode or the Term Rate Mode; (b) any Mode Change Date; (c) the second Business Day preceding any Termination Date or Expiration Date; (d) any Substitute Credit Facility Date or Substitute Liquidity Facility Date; (e) any Credit Facility Default Tender Date; (f) any Bank Rate Purchase Date; and (g) any R-FLOATs Mandatory Tender Date.

“*Market Agent*” means any Person appointed by the Corporation to serve as market agent in connection with the determination of a Bank Fixed Rate or a Bank Index Rate pursuant to Section 210 hereof.

“*Master Indenture*” has the meaning attributed to it in the Preliminary Statement.

“*Master Note*” has the meaning attributed to it in the Preliminary Statement.

“*Master Trustee*” has the meaning attributed to it in the Preliminary Statement.

“*Maturity Date*” means February 15, 2054; provided however, with respect to each Bond initially bearing interest at a Fixed Rate, the specific date of maturity set forth in Section 204 hereof, or with respect to any Series 2024A Bonds upon change to the Fixed Rate Mode, such maturities as are determined pursuant to Section 502(B) hereof.

“*Maximum Federal Corporation Tax Rate*” means the maximum rate of income taxation imposed on corporations pursuant to Section 11(b) of the Code, as in effect from time to time (or, if as a result of a change in the Code, the rate of income taxation imposed on corporations generally shall not be applicable to the Purchaser, the maximum statutory rate of federal income taxation which could apply to the Purchaser).

“*Maximum Rate*” means the lesser of (a) 12% per annum, (b) the maximum interest rate permitted by applicable law, or (c) the rate per annum used to calculate the interest coverage on the Credit Facility, if any, or on the Liquidity Facility, if any securing such Series 2024A Bonds; provided, however, with respect to Liquidity Facility Bonds and Series 2024A Bonds bearing interest at the Bank Index Rate, the Bank Fixed Rate, the Taxable Rate, the Default Rate or the Term-Out Rate, the Maximum Rate shall be the maximum interest rate permitted by applicable law.

“*Member*” or “*Member of the Obligated Group*” means any Person who is a Member of the Obligated Group pursuant to the terms of the Master Indenture.

“*Mode*” means, as the context may require, the Commercial Paper Mode, the Daily Mode, the Weekly Mode, the Indexed Mode, the Term Rate Mode, the Bank Index Mode, the Bank Fixed Mode, the Fixed Rate Mode or the R-FLOATs Rate Mode.

“*Mode Change Date*” means the day following the last day of one Mode for any Series 2024A Bonds on which another Mode begins (including, without limitation, the beginning of a Subsequent Bank Index Rate Period or a Subsequent Bank Fixed Rate Period and the change in the R-FLOATs Period for Bonds currently in the R-FLOATs Rate Mode).

“*Moody’s*” means Moody’s Investors Service, Inc., a corporation organized and existing under the laws of the State of Delaware, 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 Authority at the written direction of the Corporation with written notice to the Authority, the Liquidity Facility Provider and the Bond Trustee.

“*Mortgage*” means the Mortgage and Security Agreement dated as of July 1, 2024 from Marshfield Clinic, Inc. and MCHS Hospitals, Inc. to the Master Trustee.

“*New Mode*” has the meaning set forth in Section 212 hereof.

“*Non-Eligible Bonds*” means (a) Liquidity Facility Bonds, (b) Series 2024A Bonds owned by, for the account of, or on behalf of, the Authority, the Corporation or any Affiliate of the Corporation, (c) Series 2024A Bonds not covered by a Credit Facility, or (d) Series 2024A Bonds not supported by a Liquidity Facility.

“*Obligated Group*” means, collectively, the Members of the Obligated Group created by the Master Indenture.

“*Obligated Group Representative*” means the Corporation, in its capacity to act on behalf of the Obligated Group in accordance with the terms of the Master Indenture, and any successor Obligated Group Representative appointed pursuant to the terms of the Master Indenture.

“*Officer’s Certificate*” means a certificate signed, in the case of a certificate delivered by a corporation, by its President, Chief Executive Officer, Chief Financial Officer, any Vice President, Treasurer or any other officer authorized to sign by resolution of the Governing Body of such corporation or, in the case of a certificate delivered by any other Person, the chief executive or chief financial officer of such other Person, in either case whose authority to execute such Certificate shall be evidenced to the satisfaction of the Bond Trustee.

“*Opinion of Counsel*” means a written opinion of counsel in form and substance acceptable to the Authority, the Bond Trustee, the Credit Facility Provider and the Liquidity Facility Provider (but only if the Credit Facility Provider or the Liquidity Facility Provider, as applicable, is required to be an addressee of such opinion pursuant to the relevant Reimbursement Agreement, Liquidity Facility or this Bond Indenture).

“*Outstanding Series 2024A Bonds*” or “*Series 2024A Bonds outstanding*” or “*Series 2024A Bonds Outstanding*” means all Series 2024A Bonds which have been duly authenticated and delivered by the Bond Trustee under this Bond Indenture, except:

(a) Series 2024A Bonds canceled after purchase in the open market or because of payment at or redemption prior to maturity;

(b) Series 2024A Bonds for the payment or redemption of which cash or U.S. Government Obligations shall have been theretofore irrevocably deposited with the Bond Trustee (whether upon or prior to the maturity or redemption date of any such Series 2024A Bonds) in accordance with this Bond Indenture; provided that if such Series 2024A Bonds are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given or arrangements satisfactory to the Bond Trustee shall have been made therefor, or waiver of such notice satisfactory in form to the Bond Trustee shall have been filed with the Bond Trustee;

(c) Series 2024A Bonds in lieu of which others have been authenticated under this Bond Indenture; and

(d) Series 2024A Bonds deemed tendered for purchase pursuant to Section 510(D) hereof.

For certain purposes more fully described in Section 1201 hereof, Series 2024A Bonds that are owned or held by a Member shall be disregarded and deemed not to be Outstanding under this Bond Indenture.

“*Paying Agent*” means the bank or banks, if any, designated pursuant to this Bond Indenture to receive and disburse the principal of and interest on the Series 2024A Bonds. Initially and subject to the provisions of Section 402 hereof pertaining to payments during a Bank Rate Period, if applicable, the Bond Trustee will act as the Paying Agent.

“*Person*” means any natural person, firm, joint venture, association, partnership, limited liability company, business trust, corporation, public body, agency or political subdivision thereof or any other similar entity.

“*Principal Office*” means, when used with respect to the Bond Trustee, the corporate trust office of the Bond Trustee identified as such for the performance of the functions in question, and, when used with respect to any other entity, means the principal office of such entity or such other office of such entity as may be designated by that entity in writing to the Bond Trustee.

“*Prior Bonds*” means, collectively, the Series 2012A Bonds, the Series 2019A Bonds, the Series 2020B-1 Bonds, the Series 2022A Bonds and the Series 2022B Bonds.

“*Project*” means, collectively, the acquisition, construction, demolition, installation, improvement, renovation, equipping and/or relocation of facilities used in, benefitting or relating to, providing health care that are or will be owned or operated by the Corporation and/or the Benefited Affiliates and located at the Wisconsin locations identified in the notice of public hearing related to the Series 2024A Bonds (a copy of which is attached to the Tax Exemption Agreement), all as more specifically detailed in the Tax Exemption Agreement.

“*Project Cost*” means any costs of the Project that are permitted to be financed under the Act, the payment of which will not cause an Event of Taxability to occur and that are not Issuing Expenses.

“*Project Fund*” means the fund by that name created pursuant to Section 303 of this Bond Indenture.

“*Property*” has the meaning set forth in the Master Indenture.

“*Purchase Date*” means with respect to Series 2024A Bonds

(a) during the Commercial Paper Mode, the Business Day following the end of each Interest Period,

(b) during the Term Rate Mode, the Business Day following the end of each Interest Period,

(c) during the Daily Mode or the Weekly Mode, a Business Day for which notice of tender as required by this Bond Indenture has been given,

(d) during the Bank Index Mode or the Bank Fixed Mode, any Bank Rate Purchase Date, and

(e) during the R-FLOATs Rate Mode, each R-FLOATs Mandatory Tender Date and R-Floats Optional Tender Date.

“*Purchase Fund*” means the fund by that name established under Section 510 hereof.

“*Purchase Price*” means (a) an amount equal to the principal amount of any Series 2024A Bonds purchased on any Purchase Date, plus, in the case of any purchase of Series 2024A Bonds in the Daily Mode, the Weekly Mode, the Bank Index Mode or the Bank Fixed Mode, accrued and unpaid interest thereon, if any, to the Purchase Date (*provided*, with respect to Series 2024A Bonds supported by a Liquidity Facility, that if the applicable Purchase Date is an Interest Payment Date, the amount described in this clause (a) shall be reduced by the amount of interest payable on each such Series 2024A Bond on such Interest Payment Date), or (b) an amount equal to the principal amount of Series 2024A Bonds purchased on a Mandatory Purchase Date, plus accrued and unpaid interest thereon, if any, to the Mandatory Purchase Date.

“*Purchaser*” means, during any Bank Rate Period, the Holder of the Series 2024A Bonds; provided that there is a single Holder of all of the Series 2024A Bonds; and provided further that the Series 2024A Bonds are not then held under the book entry system. If there is more than one Holder of the Series 2024A Bonds during any Bank Rate Period, “*Purchaser*” means Holders owning a majority of the aggregate principal amount of the Series 2024A Bonds then Outstanding. If the Series 2024A Bonds are then held under the book entry system, “*Purchaser*” means the Beneficial Owner of the Series 2024A Bonds; provided that there is a single Beneficial Owner of all of the Series 2024A Bonds. If there is more than one Beneficial Owner of the Series 2024A Bonds during any Bank Rate Period, “*Purchaser*” means Beneficial Owners who are the beneficial owners of a majority of the aggregate principal amount of the Series 2024A Bonds then Outstanding.

“*Qualified Investments*” means, subject to additional requirements set forth in the Tax Exemption Agreement,

(a) U.S. Government Obligations and bonds or securities issued or guaranteed as to principal and interest by a commission, board or other instrumentality of the federal government;

(b) short-term discount obligations of the Federal National Mortgage Association;

(c) certificates of deposit or time deposits constituting direct obligations of any bank the full amount of which is insured by the Federal Deposit Insurance Corporation;

(d) time deposits in any credit union, bank, savings bank, trust company or savings and loan association which is authorized to transact business in the State if the time deposits mature in not more than three years;

(e) bonds or securities of any county, city, drainage district, technical college district, village, town or school district of the State;

(f) any security which matures or which may be tendered for purchase at the option of the holder within not more than seven years of the date on which it is acquired, if that security has a rating which is the highest or second highest rating category assigned by S&P, Moody’s or other similar nationally recognized rating agency or if that security is senior to, or on a parity with, a security of the same issuer which has such a rating;

(g) securities of an open-end management investment company or investment trust if the investment company or investment trust does not charge a sales load, if the investment company or investment trust is registered under the Investment Company Act of 1940, 15 USC 80a-1 to 80a-64, and if the portfolio of the investment company or investment trust is limited to the following: (i) bonds and securities issued by the federal government or a commission, board or other instrumentality of the federal government, (ii) bonds that are guaranteed as to principal and interest by the federal government or a commission, board or other instrumentality of the federal government and (iii) repurchase agreements that are fully collateralized by bonds or securities described under (i) or (ii); and

(h) any other obligation or security which constitutes a permitted investment for money of the Authority as a result of an amendment of the Act subsequent to July 1, 2024 if the prior written consent of the Authority is obtained.

“*R-FLOATs Bonds*” means, on any date, the Series 2024A Bonds when bearing interest at an R-FLOATs Rate as provided in Section 211 of this Bond Indenture

“*R-FLOATs Daily Period*” means a period during the R-FLOATs Rate Mode when a Bond bears interest at an R-FLOATs Daily Rate.

“*R-FLOATs Daily Rate*” means a variable rate during an R-FLOATs Daily Period, determined as provided in Section 211 hereof.

“*R-FLOATs Mandatory Tender Date*” means a required tender of a Bond in an R-FLOATs Rate Mode for purchase pursuant to Section 506(A) hereof on (a) the first day of each new R-FLOATs Period with respect to such Bond and (b) the Mode Change Date of such Bond to another Mode.

“*R-FLOATs Monthly Period*” means a period during the R-FLOATs Rate Mode when a Bond bears interest at an R-FLOATs Monthly Rate.

“*R-FLOATs Monthly Rate*” means a variable rate during an R-FLOATs Monthly Period, determined as provided in Section 211 hereof.

“*R-FLOATs Non-Remarketed Bond*” means a Bond returned to the holder pursuant to Section 211(C) hereof after such holder tendered the Bond for purchase pursuant to the R-FLOATs Tender provisions.

“*R-FLOATs Optional Tender Date*” means tender of a Bond for purchase at the option of the holder thereof pursuant to Section 504(B) hereof.

“*R-FLOATs Period*” means an R-FLOATs Daily Period, an R-FLOATs Weekly Period, an R-FLOATs Monthly Period, or an R-FLOATs Term Period.

“*R-FLOATs Rate*” when used with respect to any Bond in the R-FLOATs Rate Mode, means the R-FLOATs Daily Rate, the R-FLOATs Weekly Rate, the R-FLOATs Monthly Rate, or the R-FLOATs Term Rate borne by such Bond during the R-FLOATs Rate Mode.

“*R-FLOATs Rate Determination Date*” means the date on which an R-FLOATs Rate is determined pursuant to Section 211 hereof.

“*R-FLOATs Rate Mode*” means the interest rate mode in which a Bond bears interest at the R-FLOATs Rate.

“*R-FLOATs Reset Date*” means the day on which each new R-FLOATs Rate is effective, as determined pursuant to Section 211 hereof.

“*R-FLOATs Special Non-Remarketing Period*” means a period beginning on the date when a Bond is not purchased from the holder after such holder tenders such Bond for purchase pursuant to an R-FLOATs Tender and ending on the date that all R-FLOATs Non-Remarketed Certificate are successfully remarketed.

“*R-FLOATs Tender*” means an R-FLOATs Mandatory Tender Date or an R-FLOATs Optional Tender Date.

“*R-FLOATs Tender Date*” means a date on which Bonds are tendered for purchase pursuant to the R-FLOATs Tender provisions.

“*R-FLOATs Term-Out Event*,” when used with respect to any R-FLOATs Non-Remarketed Bond, means (i) a R-FLOATs Special Non-Remarketing Period with respect to such Bond which lasts more than five (5) consecutive days. The R-FLOATs Term-Out Event occurs on the sixth consecutive day of the R-FLOATs Special Non-Remarketing Period.

“*R-FLOATs Term Period*” means a period during the R-FLOATs Rate Mode when a Bond bears interest at a R-FLOATs Term Rate.

“*R-FLOATs Term Rate*” means a fixed rate during an R-FLOATs Term Period, determined as provided in Section 211 hereof.

“*R-FLOATs Weekly Period*” means a period during the R-FLOATs Rate Mode when a Bond bears interest at an R-FLOATs Weekly Rate.

“*R-FLOATs Weekly Rate*” means a variable rate during an R-FLOATs Weekly Period, determined as provided in Section 211 hereof.

“*Rate Determination Date*,” means the date on which the interest rate(s) with respect to some or all of the Series 2024A Bonds shall be determined, which,

(a) in the case of the Commercial Paper Mode, shall be the first day of each Interest Period;

(b) in the case of the Daily Mode, shall be each Business Day commencing with the first day such Series 2024A Bonds become subject to the Daily Mode;

(c) in the case of conversion to the Weekly Mode, shall be, initially upon the conversion to such Mode, no later than the Business Day immediately prior to the Mode Change Date, and thereafter, shall be each Wednesday or, if Wednesday is not a Business Day, the next succeeding day or, if such day is not a Business Day, then the Business Day immediately preceding such Wednesday;

(d) in the case of the Term Rate Mode, shall be a Business Day no earlier than 30 Business Days and no later than the Business Day immediately preceding the first day of each Interest Period, as selected by the Remarketing Agent;

(e) in the case of the Indexed Mode and the Fixed Rate Mode, shall be a date determined by the Remarketing Agent which shall be at least one Business Day prior to the Mode Change Date;

(f) in the case of the Bank Fixed Mode, shall be two Business Days prior to the applicable Bank Rate Change Date;

(g) in the case of the Bank Index Mode, shall be (i) two Business Days prior to any Bank Rate Change Date when the Series 2024A Bonds shall bear interest at a Bank Index Rate, (ii) when the Index for a Bank Index Rate Period is Term SOFR, the SOFR Determination Date, and (iii) when the Index for a Bank Index Rate Period is SIFMA Municipal Index, the Wednesday immediately preceding the applicable Bank Index Rate Reset Date; and

(h) in the case of the R-FLOATs Rate Mode, the “*R-FLOATs Determination Date*” shall be as set forth in Section 211 hereof.

“*Rating Agencies*” means Moody’s, Fitch or Standard & Poor’s, and their respective successors and assigns, or such other nationally recognized rating agency that routinely provides rating services.

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

“*Rebate Fund*” means the Rebate Fund created by the Tax Exemption Agreement.

“*Record Date*” means (a) with respect to Series 2024A Bonds in the Commercial Paper Mode, Daily Mode, Weekly Mode, Bank Index Mode or Bank Fixed Mode, the day (whether or not a Business Day) immediately preceding each Interest Payment Date, (b) with respect to Series 2024A Bonds in an Indexed Mode, a Term Rate Mode or a Fixed Rate Mode, the first day (whether or not a Business Day) of the month of each Interest Payment Date, and (c) with respect to Series 2024A Bonds in the R-FLOATs Rate Mode, the Business Day preceding each Interest Payment Date.

“*Redemption Date*” means, when used with respect to any Series 2024A Bond to be redeemed, the date fixed for such redemption pursuant to Article V hereof.

“*Redemption Fund*” means the fund by that name established under Section 405 hereof.

“*Redemption Price*” means, with respect to any Series 2024A Bond (or portion thereof), the price to be paid upon redemption as set forth in Article V of this Bond Indenture.

“*Refunding*” means the current refunding of the outstanding principal amount of the outstanding principal amount of and accrued interest on the Prior Bonds.

“*Registrar*” means the Bond Trustee, as keeper of the Bond Register.

“*Reimbursement Agreement*” means any agreement between the Corporation and a Credit Facility Provider or Liquidity Facility Provider pursuant to which a Credit Facility or Liquidity Facility relating to the Series 2024A Bonds is issued, as well as any other lenders who may be party to such agreement from time to time, as it may be amended, restated, supplemented or otherwise modified from time to time in accordance with the terms thereof; provided, however, that if the Corporation or any Affiliate of the Corporation is the Liquidity Facility Provider, no Reimbursement Agreement shall be required and not every Liquidity Facility will require a Reimbursement Agreement.

“*Remarketing Agent*” means (a) any remarketing agent appointed by the Corporation in accordance with Sections 511 and 512 hereof and not objected to by the Authority or the Liquidity Facility Provider, if any, and at the time serving as such under the Remarketing Agreement, and (b) while the Series 2024A Bonds are in a Bank Index Mode, includes any financial advisor, investment bank or commercial bank, including without limitation the Purchaser, designated by the Corporation.

“*Remarketing Agreement*” means any remarketing agreement between the Corporation and a Remarketing Agent, as such agreement may from time to time be amended, restated, supplemented or otherwise modified from time to time in accordance with the terms thereof, to remarket the Series 2024A Bonds delivered or deemed to be delivered for purchase by the Holders thereof.

“*Remarketing Proceeds Account*” means the account by that name within the Purchase Fund established pursuant to Section 510(A) hereof.

“*Renewal Credit Facility*” means a Credit Facility provided in accordance with the Loan Agreement which has been issued with terms and conditions substantially similar to, and by the same provider of, the Credit Facility in substitution for which the Renewal Credit Facility is to be provided, *except for* changes relating to: (a) the stated expiration date thereof; (b) an increase or decrease in the portion of the Credit Facility designated to pay premium upon redemption or purchase of Series 2024A Bonds to the extent required or permitted by this Bond Indenture; (c) changes in terms and conditions which in the judgment of the Bond Trustee are not adverse to the interests of the Authority, the Bond Trustee or any Bondholder; and (d) any combination of (a), (b) and (c). A reduction in the principal amount of the Credit Facility and corresponding interest component due to redemption of a portion of the Series 2024A Bonds is not a Renewal Credit Facility.

“*Renewal Liquidity Facility*” means a Liquidity Facility provided in accordance with the Loan Agreement that has been issued with terms and conditions substantially similar to, and by the same provider of, the Liquidity Facility in substitution for which the Renewal Liquidity Facility is to be provided, *except for* changes relating to: (a) the stated expiration date thereof; (b) an increase or decrease in the portion of the Liquidity Facility designated to pay premium upon redemption or purchase of Series 2024A Bonds to the extent required or permitted by this Bond Indenture; (c) changes in terms and conditions which in the judgment of the Bond Trustee are not adverse to the interests of the Authority, the Bond Trustee or any Bondholder; and (d) any combination of (a), (b) and (c). A reduction in the principal amount of the Liquidity Facility and corresponding interest component due to redemption of a portion of the Series 2024A Bonds is not a Renewal Liquidity Facility.

“*Required Stated Amount*” means, at any time of calculation with respect to any Series 2024A Bonds in an Eligible Moneys Mode supported by a Credit Facility or a Liquidity Facility, an amount equal to the aggregate principal amount of all Eligible Bonds supported by such Credit Facility or Liquidity Facility then Outstanding together with interest accruing thereon (assuming an annual rate of interest equal to the Maximum Rate) for the period specified by the Rating Agencies then rating the Series 2024A Bonds as necessary to maintain, in the case of the Liquidity Facility, the short-term rating of the Series 2024A Bonds of such Rating Agency, or, in the case of the Credit Facility, the long-term rating of the Series 2024A Bonds.

“*Responsible Officer*” means, when used with respect to the Bond Trustee or the Tender Agent, any vice president, assistant vice president or other officer of the Bond Trustee within the Principal Office (or any successor corporate trust office) customarily performing functions similar to those performed by the persons who at the time shall be such officers, respectively, or to whom any corporate trust matter is referred because of such person’s knowledge of and

familiarity with the particular subject and having direct responsibility for the administration of this Bond Indenture.

“*Revenue Fund*” means the fund by that name established under Section 402 hereof.

“*Right to Retain*” means the right of the Purchaser to elect to continue to hold the Series 2024A Bonds upon the occurrence of a Bank Rate Change Date on which the Interest Period is changing from the then-existing Bank Index Rate Period or then-existing Bank Fixed Rate Period to another Bank Rate Period.

“*Securities Depository*” means DTC and its successors and assigns or if (a) the then-Securities Depository resigns from its functions as depository of the Series 2024A Bonds or (b) the Authority discontinues use of the then-Securities Depository pursuant to Section 220, any other securities depository which is selected by the Authority at the request of the Corporation.

“*Series 2012A Bonds*” means the \$130,115,000 in aggregate original principal amount of the Wisconsin Health and Educational Facilities Authority Refunding Revenue Bonds, Series 2012A (Marshfield Clinic Health System, Inc.), currently outstanding in the principal amount of \$54,865,000.

“*Series 2019A Bonds*” means the \$52,700,000 in aggregate original principal amount of the Wisconsin Health and Educational Facilities Authority Adjustable Rate Revenue Bonds, Series 2019A (Marshfield Clinic Health System, Inc.), currently outstanding in the principal amount of \$44,755,000.

“*Series 2020B-1 Bonds*” means the \$67,445,000 in aggregate original principal amount of the Wisconsin Health and Educational Facilities Authority Revenue Bonds, Series 2020B-1 (Marshfield Clinic Health System, Inc.), currently outstanding in the principal amount of \$67,445,000.

“*Series 2020B-1 Bonds Escrow Agreement*” means the Escrow Deposit Agreement dated as of July 2, 2024 by and among the Authority, the Corporation and U.S. Bank Trust Company, National Association, as bond trustee for the Series 2020B-1 Bonds.

“*Series 2020B-1 Escrow Agent*” means U.S. Bank Trust Company, National Association and its successors and assigns.

“*Series 2022A Bonds*” means the \$75,000,000 in aggregate original principal amount of the Wisconsin Health and Educational Facilities Authority Revenue Bonds, Series 2022A (Marshfield Clinic Health System, Inc.), currently outstanding in the principal amount of \$75,000,000.

“*Series 2022A Bonds Escrow Agreement*” means the Escrow Deposit Agreement dated as of July 2, 2024 by and among the Authority, the Corporation and U.S. Bank Trust Company, National Association, as bond trustee for the Series 2022A Bonds.

“*Series 2022A Escrow Agent*” means U.S. Bank Trust Company, National Association and its successors and assigns.

“*Series 2022B Bonds*” means the \$46,075,000 in aggregate original principal amount of the Wisconsin Health and Educational Facilities Authority Refunding Revenue Bonds, Series 2022B (Marshfield Clinic Health System, Inc.), currently outstanding in the principal amount of \$41,245,000.

“*Series 2024A Bonds*” means the \$374,895,000 in aggregate original principal amount of the Wisconsin Health and Educational Facilities Authority Revenue Bonds, Series 2024A (Marshfield Clinic Health System, Inc.) authorized to be issued pursuant to the terms and conditions of this Bond Indenture and including, without limitation, all Liquidity Facility Bonds, if any.

“*Short-Term Mode*” means the Daily Mode, the Weekly Mode, the Commercial Paper Mode, the R-FLOATs Rate Mode bearing interest at an R-FLOATs Daily Rate, R-FLOATs Weekly Rate or R-FLOATs Monthly Rate, the Bank Index Mode with a Bank Index Rate Period of 365 days or less, or the Bank Fixed Mode with a Bank Fixed Rate Period of 365 days or less.

“*SIFMA Municipal Index*” means the SIFMA Municipal Swap Index as of the most recent date for which such index was published or such other weekly, high-grade index comprised of seven-day, tax-exempt variable rate demand notes produced by Municipal Market Data, Inc., or its successor, or as otherwise designated by the Securities Industry and Financial Markets Association; provided, however, that, if such index is no longer produced by Municipal Market Data, Inc. or its successor, then “SIFMA Municipal Index” shall mean such other reasonably comparable index selected by the Authority (at the direction of the Corporation). In the event that the SIFMA Municipal Index is less than zero on any day, it shall be deemed to be zero for such day.

“*SOFR*” means a rate equal to the secured overnight financing rate as administered by the NYFRB (or a successor administrator of the secured overnight financing rate) and, in the event such rate is unavailable, such successor or similar rate as determined by the Index Agent.

“*SOFR Determination Date*” means the date that is two (2) Business Days preceding each SOFR Reset Date.

“*SOFR Reset Date*” means the first day of each calendar month.

“*Special Record Date*” means the date fixed by the Bond Trustee pursuant to Section 212 of this Bond Indenture for the payment of Defaulted Interest.

“*Standard & Poor's*” or “*S&P*” means S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC, a Delaware limited liability company, its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, “Standard & Poor's” or “S&P” shall be deemed to refer to any other nationally recognized securities rating agency designated by the Corporation by notice to the Authority, the Liquidity Facility Provider and the Bond Trustee.

“*State*” means the State of Wisconsin.

“*Subsequent Bank Fixed Rate Period*” means any period established pursuant to Section 210(C) during which Series 2024A Bonds bear interest at a Bank Fixed Rate.

“*Subsequent Bank Index Rate Period*” means any period established pursuant to Section 210(C) during which Series 2024A Bonds bear interest at a Bank Index Rate.

“*Subsequent Bank Rate Period*” means a Subsequent Bank Index Rate Period or a Subsequent Bank Fixed Rate Period.

“*Substitute Credit Facility*” means any Credit Facility (other than a Renewal Credit Facility) delivered to the Bond Trustee pursuant to Section 7.13 of the Loan Agreement in substitution for an existing Credit Facility.

“*Substitute Credit Facility Date*” means the date of delivery to the Bond Trustee of a Substitute Credit Facility by the Corporation pursuant to Section 7.13 of the Loan Agreement.

“*Substitute Liquidity Facility*” means any Liquidity Facility (other than a Renewal Liquidity Facility) furnished to the Bond Trustee pursuant to Section 7.10 of the Loan Agreement in substitution for an existing Liquidity Facility.

“*Substitute Liquidity Facility Date*” means the effective date of a Substitute Liquidity Facility furnished to the Bond Trustee by the Corporation pursuant to Section 7.10 of the Loan Agreement.

“*Supplement*” has the meaning attributed to it in the Preliminary Statement.

“*Suspension Event*” or “*Suspension Events*” means an event or events of default specified in the Liquidity Facility resulting in the immediate suspension, without notice from the Liquidity Facility Provider or mandatory tender, of the Liquidity Facility Provider’s obligation under the Liquidity Facility to purchase Series 2024A Bonds to the extent and pursuant to the limitations provided in the Liquidity Facility.

“*Taxable Date*” means the date on which the interest on the Series 2024A Bonds is first includable in the gross income of the Bondholder (including, without limitation, any previous Bondholder) thereof as a result of an Event of Taxability as such date is established pursuant to a Determination of Taxability.

“*Taxable Rate*” means an interest rate per annum equal to the product of (a) the Bank Index Rate or the Bank Fixed Rate, as applicable, then in effect multiplied by (b) the Taxable Rate Factor.

“*Taxable Rate Factor*” means, for each day that the Taxable Rate is determined, the quotient of (a) one divided by (b) one minus the Maximum Federal Corporation Tax Rate in effect as of such day, rounded upward to the second decimal place (or such other decimal place as directed by the Purchaser).

“*Tax-Exempt Organization*” means a Person organized under the laws of the United States of America or any state thereof which is an organization described in Section 501(c)(3) of the Code, which is exempt from federal income taxation under Section 501(a) of the Code, and which is not a “private foundation” within the meaning of Section 509(a) of the Code, or corresponding provisions of federal income tax laws from time to time in effect.

“*Tax Exemption Agreement*” means the Tax Exemption Agreement dated July 2, 2024 among the Corporation, on behalf of itself and the Benefited Affiliates, the Authority and the Bond Trustee relating to the issuance of the Bonds on such date.

“*Tender Agent*” means any tender agent appointed in accordance with Section 513 hereof. Initially, the Bond Trustee will act as Tender Agent.

“*Term-Out End Date*” has the meaning set forth in the Continuing Covenant Agreement, if any.

“*Term-Out Period*” has the meaning set forth in Section 210(D) hereof.

“*Term-Out Purchase Date*” means the last day of any Term-Out Period.

“*Term-Out Rate*” has the meaning set forth in the Continuing Covenant Agreement. The Term-Out Rate shall be subject to adjustment pursuant to Section 210(F) hereof.

“*Term Rate*” means the per annum interest rate with respect to any Series 2024A Bonds in the Term Rate Mode determined pursuant to Section 207 hereof.

“*Term Rate Mode*” means the Mode during which any Series 2024A Bonds bear interest at the Term Rate.

“*Termination Date*” means

(a) the date specified in a notice of termination given by a Liquidity Facility Provider to the Bond Trustee specifying the date on which such Liquidity Facility Provider will no longer be obligated to purchase Series 2024A Bonds (or otherwise advance funds for the purchase of tendered Series 2024A Bonds) pursuant to a Liquidity Facility which date must be at least 5 days from the date of receipt of such notice by the Bond Trustee and prior to the termination of the Liquidity Facility (other than automatic termination upon the occurrence of an Automatic Termination Event or termination due to failure to cure a Suspension Event),

(b) the date specified in a notice of termination given by the Corporation and a Liquidity Facility Provider to the Bond Trustee, the Tender Agent and the Authority specifying the date on which such Liquidity Facility Provider will no longer be obligated to purchase Series 2024A Bonds (or otherwise advance funds for the purchase of tendered Series 2024A Bonds) due to a satisfaction of the requirements set forth in Section 7.10(d) of the Loan Agreement, which date must be at least 5 days after the date of receipt of such notice by the Bond Trustee, the Tender Agent and the Authority and prior to the termination of the Liquidity Facility, or

(c) the date specified in a notice of termination given by the Corporation and a Credit Facility Provider to the Bond Trustee and the Authority specifying the date on which such Credit Facility Provider will no longer be obligated pay the principal of and interest on the Series 2024A Bonds (or otherwise advance funds for such payment) due to a satisfaction of the requirements set forth in Section 7.13(d) of the Loan Agreement,

which date must be at least 5 days after the date of receipt of such notice by the Bond Trustee and the Authority and prior to the termination of the Credit Facility.

“*Term SOFR*” means the greater of 0.00% and such reference rate as is published by the CME Term SOFR Administrator at approximately 5:00 a.m., Chicago time, on each SOFR Determination Date of such tenor comparable to a one month interest period; such rate being the rate per annum determined by the Index Agent as the forward-looking term rate based on SOFR.

“*Transfer Fund*” has the meaning set forth in Section 301(c) hereof.

“*Unassigned Rights*” means the Authority’s right to receive payment of its fees and expenses, the Authority’s rights to indemnification under the Loan Agreement, the Authority’s right to execute and deliver supplements and amendments to the Loan Agreement and this Bond Indenture, the Authority’s rights to receive notices hereunder and under the Loan Agreement and the Authority’s rights to give consents and make certain appointments hereunder and under the Loan Agreement.

“*Unrelated Trade or Business*” means an activity which constitutes an “unrelated trade or business” within the meaning of Section 513(a) of the Code without regard to whether such activity results in unrelated trade or business income subject to taxation under Section 512(a) of the Code.

“*Underwriters*” has the meaning attributed to it in the Preliminary Statement.

“*U.S. Government Obligations*” means obligations which are direct, full faith and credit obligations of the United States of America or are obligations with respect to which the United States of America has unconditionally guaranteed the timely payment of all principal or interest or both, but only to the extent of the principal or interest so guaranteed.

“*Weekly Mode*” means the Mode during which any Series 2024A Bonds bear interest at the Weekly Rate.

“*Weekly Rate*” means an interest rate that is determined on a weekly basis with respect to any Series 2024A Bonds in the Weekly Mode pursuant to Section 206 hereof.

“*Written Request*” means with reference to the Authority, a request in writing signed by an Authorized Officer of the Authority and with reference to any Member of the Obligated Group means a request in writing signed by the President or a Vice President of such Member or the Corporation, or any other officers designated by the Authority or such Member or the Corporation, as the case may be.

Section 102. Rules of Construction. Unless the context shall otherwise require,

(a) an accounting term not otherwise defined herein shall have the meaning assigned to it in accordance with generally accepted accounting principles;

(b) references to Articles and Sections are to the Articles and Sections of this Bond Indenture;

(c) words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders;

(d) unless the context shall otherwise indicate, words importing the singular number shall include the plural and vice versa;

(e) 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;

(f) all references to payments or prepayments by the Corporation on the Master Note shall be deemed also to refer to any payments thereon by any other Member;

(g) unless specifically noted otherwise, all references herein to a particular time of day shall be to New York City time; and

(h) any term defined herein by reference to the Continuing Covenant Agreement shall have no effect in the event the Continuing Covenant Agreement ceases to be in effect or the term does not exist in the applicable Continuing Covenant Agreement.

ARTICLE II THE SERIES 2024A BONDS

Section 201. Authority for and Issuance of Series 2024A Bonds. (A) No Series 2024A Bonds may be issued under the provisions of this Bond Indenture except in accordance with this Article. There is hereby authorized and created under this Bond Indenture one series of bonds designated the “*Wisconsin Health and Educational Facilities Authority Revenue Bonds, Series 2024A (Marshfield Clinic Health System, Inc.)*.” The total principal amount of Series 2024A Bonds that may be issued under the provisions of this Bond Indenture is hereby expressly limited to \$374,895,000.

(B) Except as otherwise provided in this Bond Indenture, the Series 2024A Bonds shall be substantially in the form attached hereto as Exhibit A. The Series 2024A Bonds shall bear interest from their respective dates and shall be issuable as fully registered bonds without coupons in Authorized Denominations. Unless the Authority shall otherwise direct, the Series 2024A Bonds shall be numbered from R-1 upward. The Series 2024A Bonds, as initially issued, will be dated as of their Date of Original Issuance. Except as described in the next sentence, subsequently issued Series 2024A Bonds will be dated as of the later of the Date of Original Issuance or the most recent preceding Interest Payment Date therefor to which interest has been paid thereon. Series 2024A Bonds issued on an Interest Payment Date to which interest has been paid thereon will be dated as of such date. Interest on the Series 2024A Bonds will be payable on each Interest Payment Date thereof. The Bond Trustee shall, to the extent it has such information, upon request, make the interest rate borne by the Series 2024A Bonds available to the Corporation, the Authority, the Master Trustee or any owner of the Series 2024A Bonds.

Section 202. Maturity; Modes; Interest Rates and Calculation. (A) The Series 2024A Bonds shall mature on the Maturity Date.

(B) Interest on the Series 2024A Bonds shall be calculated on the basis of:

(i) a 365- or 366-day year, as applicable, for the number of days actually elapsed, during a Commercial Paper Mode, a Daily Mode, a Weekly Mode or an Indexed Mode or when the Bonds bear interest at a Bank Index Rate based on the SIFMA Municipal Index,

(ii) a 360-day year of twelve 30-day months (a) during a Term Rate Mode and the Fixed Rate Mode, and (b) when the Bonds bear interest at a Bank Fixed Rate,

(iii) a 360-day year for the number of days actually elapsed when the Bonds bear interest at a Bank Index Rate based on Term SOFR, the Default Rate, the Taxable Rate or a Term-Out Rate, or

(iv) For R-FLOATs Bonds, interest shall be calculated as provided in Section 211 hereof.

The principal of, premium, if any, and interest on and the Redemption Price of the Series 2024A Bonds shall be payable in any immediately available currency of the United States of America which, at the respective dates of payment thereof, is legal tender for the payment of public and private debts.

Section 203. Payment of Principal of and Interest on the Series 2024A Bonds. (A) Subject to Section 220, payment of the principal or Redemption Price of and premium, if any, on any Series 2024A Bond when due, whether upon maturity, redemption, acceleration or otherwise, shall be payable by check in lawful money of the United States of America to the registered owners of the Series 2024A Bonds on such date upon presentation and surrender of the Series 2024A Bonds to be paid at the Principal Office of the Bond Trustee. Subject to Section 220, interest on the Series 2024A Bonds shall be paid to the Person whose name appears on the bond registration books of the Bond Trustee as the Holder thereof as of the close of business on the Record Date for each Interest Payment Date without the necessity of surrendering the Bond on which payment is being made. Payment of the interest on (i) any Series 2024A Bonds in a Daily Mode, a Weekly Mode, an Indexed Mode, a Bank Fixed Mode, a Bank Index Mode, a Commercial Paper Mode or an R-FLOATs Rate Mode shall be made by wire transfer in immediately available funds to an account within the United States of America designated by such Holder and (ii) any Series 2024A Bonds in a Term Rate Mode or a Fixed Rate Mode shall be made by check mailed by first class mail to such Holder at its address as it appears on such registration books, or, upon the written request of any Holder of at least \$1,000,000 in aggregate principal amount of the Series 2024A Bonds, submitted to the Bond Trustee at least five Business Days prior to the Record Date, by wire transfer in immediately available funds to an account within the United States of America designated by such Holder. As long as Cede & Co. is the Holder of the Series 2024A Bonds, said principal or Redemption Price and interest payments shall be made to Cede & Co. by wire transfer in immediately available funds. CUSIP number identification shall accompany all payments of principal or Redemption Price and interest whether by check or by wire transfer; provided, however, that

CUSIP number identification shall not be required while the Bonds are in the Bank Fixed Mode or the Bank Index Mode. The principal of and interest on Liquidity Facility Bonds shall be paid as set forth in the Reimbursement Agreement or the Liquidity Facility, as applicable, relating to such Liquidity Facility Bonds.

So long as the Series 2024A Bonds are held by a Securities Depository, payments of the principal of and interest on the Series 2024A Bonds shall be made in accordance with the requirements of the Securities Depository. The Series 2024A Bonds bearing interest at the Bank Index Rate, the Bank Fixed Rate or the Term-Out Rate shall be physical bonds and shall not be paid through a Securities Depository. The Series 2024A Bonds bearing interest at the Bank Index Rate, the Bank Fixed Rate or the Term-Out Rate shall contain a legend that the transfer of the Series 2024A Bonds shall be subject to the restrictions set forth in the Bond Indenture.

Notwithstanding the foregoing, unless the Purchaser has directed that the Series 2024A Bonds shall be paid through a Securities Depository, the payment of principal, premium, if any, and interest on Bonds bearing interest at the Bank Index Rate, the Bank Fixed Rate, the Taxable Rate, the Default Rate or the Term-Out Rate shall be payable by the Corporation in the manner agreed to in writing by the Corporation and Purchaser and acknowledged by the Bond Trustee, including but not limited to payments made by the Corporation directly to the Purchaser and no presentment of the Bond for the payment of principal other than the final payment of principal. If payments are made directly by the Corporation to the Purchaser, the Purchaser shall notify the Bond Trustee of any nonpayment by the Corporation and the amount of any such nonpayment. Any failure to report such information shall result in no liability on the part of the Purchaser to the Authority, the Bond Trustee or the Corporation, other than the requirement of the Purchaser to respond to inquiries regarding the date and amount of such payments. The Bond Trustee shall not be deemed to have any notice of such failure unless it has received notice thereof in writing. Further, in no event shall Series 2024A Bonds bearing interest at the Bank Index Rate, the Bank Fixed Rate, the Taxable Rate, the Default Rate or the Term-Out Rate be required to be presented or surrendered on the partial redemption of such Series 2024A Bond.

(B) Interest on the Series 2024A Bonds shall be calculated in accordance with Sections 204, 205, 206, 207, 208, 209, 210 and 211 hereof and shall be payable on each Interest Payment Date for the immediately preceding Interest Payment Period. Notwithstanding the foregoing, Liquidity Facility Bonds shall bear interest at a rate per annum equal to the Liquidity Facility Bond Rate and interest on Liquidity Facility Bonds shall be payable as set forth in the Reimbursement Agreement or the Liquidity Facility relating to such Liquidity Facility Bonds. Additionally, anything herein to the contrary notwithstanding, in no event shall any Series 2024A Bond (including, without limitation, Liquidity Facility Bonds) bear interest at a rate per annum in excess of the Maximum Rate applicable thereto.

Section 204. Initial Mode and Interest Rates; Subsequent Modes. (A) The Series 2024A Bonds shall initially be in the Fixed Rate Mode to the Maturity Date unless and until such Series 2024A Bonds or a portion thereof are converted to a different Mode as provided in Section 212 hereof. The first interest payment date for the Series 2024A Bonds shall be August 15, 2024.

The Series 2024A Bonds mature on February 15 of each of the years listed below and in each year in the amount listed below and bear interest at the rates per annum designated below:

<u>Maturity Date</u> <u>(February 15)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest Rate</u>
2025	\$ 2,000,000	5.000%
2026	2,000,000	5.000
2027	1,990,000	5.000
2028	2,070,000	5.000
2029	75,000,000	5.000
2031	6,195,000	5.000
2032	25,000,000	5.000
2033	2,130,000	5.000
2035	12,465,000	5.250
2036	15,425,000	5.250
2054	130,620,000	5.500
2054	25,000,000	5.250
2054	75,000,000	4.500

(B) Except when the Series 2024A Bonds are in a Bank Index Mode or a Bank Fixed Mode, the Series 2024A Bonds may operate in different Modes at the same time. Series 2024A Bonds in any Mode, other than the Indexed Mode, may be changed to any other Mode at the times and in the manner hereinafter provided; provided that the portion of the Series 2024A Bonds to be changed must be an amount constituting an Authorized Denomination for the New Mode. In addition, while the Series 2024A Bonds are in a Term Rate Mode or Commercial Paper Mode, the Series 2024A Bonds in such Mode may bear interest at different rates at the same time; provided that each individual Series 2024A Bond in such Mode may bear only one rate during each Interest Period applicable to such Series 2024A Bond during a Term Rate Mode or Commercial Paper Mode. Notwithstanding the foregoing, (i) during a Bank Index Mode, all Series 2024A Bonds must operate in the Bank Index Mode for the same Bank Index Rate Period, and during a Bank Fixed Mode, all Series 2024A Bonds must operate in the Bank Fixed Mode for the same Bank Fixed Rate Period and (ii) during a R-FLOATs Rate Mode, all Series 2024A Bonds shall have the same R-FLOATs Period and all Bonds with an R-FLOATs Term Period shall have the same R-FLOATs Term Period. Subsequent to each change in Mode (other than a change to the Indexed Mode), the Series 2024A Bonds in such Mode may again be changed to a different Mode at the times and in the manner hereinafter provided. The Indexed Mode for a Series 2024A Bond shall be in effect until the final Maturity Date of such Series 2024A Bonds and may not be changed to any other Mode.

(C) In connection with any Mode change, the Bond Trustee shall identify the Series 2024A Bonds which are the subject of each Mode. Such identification may be through the designation of such Series 2024A Bonds, through the assignment of separate CUSIP numbers or otherwise as the Remarketing Agent directs the Bond Trustee.

In addition, upon any change in Mode, new Series 2024A Bond forms in the New Mode shall be prepared by the Authority or Bond Counsel and delivered by the Bond Trustee to the holders of such Series 2024A Bonds, which new Bond forms shall identify the Mode then applicable to the Series 2024A Bonds and reflect the terms then applicable to such Series 2024A Bonds, all as provided in Section 215 hereof. Each holder of Series 2024A Bonds by its acceptance thereof shall be deemed to have agreed to surrender its Series 2024A Bonds which are being converted to a New Mode to the Bond Trustee in exchange for a Series 2024A Bond reflecting the New Mode.

Section 205. Determination of Commercial Paper Rates, Purchase Date and Interest Periods During Commercial Paper Mode. (A) Interest Periods during a Commercial Paper Mode shall be of such duration of from one to 270 calendar days, ending on a day immediately preceding a Business Day or the final Maturity Date, as the Remarketing Agent shall determine in accordance with the provisions of this Section 205. On each Rate Determination Date, the Remarketing Agent shall select the Interest Period and lowest interest rate for such Interest Period as will, in the judgment of the Remarketing Agent, result in a sale of such Series 2024A Bonds on such Rate Determination Date at the Purchase Price and will result in the lowest aggregate cost payable by the Authority and the Corporation with respect to the Series 2024A Bonds in such Mode, taking into account interest and other determinable fees and expenses. The Remarketing Agent's determination shall be based on the market for and the relative yields of the Series 2024A Bonds and other securities that bear interest at a variable rate or fixed rate that, in the judgment of the Remarketing Agent, are otherwise comparable to the Series 2024A Bonds, or any fact or circumstance relating to the Series 2024A Bonds or affecting the market for the Series 2024A Bonds or affecting any other comparable securities in a manner that, in the judgment of the Remarketing Agent, will affect the market for the Series 2024A Bonds. If the Remarketing Agent has received notice from the Authority (at the direction of the Corporation) that any Series 2024A Bond is to be changed from the Commercial Paper Mode to any other Mode or is to be purchased in accordance with a mandatory purchase pursuant to Section 508, the Remarketing Agent shall, with respect to such Series 2024A Bond, select Interest Periods which do not extend beyond the Mandatory Purchase Date.

(B) On or after 4:00 p.m., New York City time, on the Business Day next preceding each Rate Determination Date for Series 2024A Bonds in the Commercial Paper Mode, any Holder of such Series 2024A Bonds may telephone the Remarketing Agent and be informed of the anticipated next Interest Period(s) and the anticipated Commercial Paper Rate(s) for such Interest Period(s).

(C) By 12:30 p.m., New York City time, on each Rate Determination Date, the Remarketing Agent, with respect to each Series 2024A Bond in the Commercial Paper Mode which is subject to adjustment on such date, shall determine the Commercial Paper Rate(s) for the Interest Periods then selected for such Series 2024A Bond and the Purchase Date and shall give Immediate Notice to the Bond Trustee and Tender Agent and any other Interested Party

who contacts the Remarketing Agent of the Interest Period, the Purchase Date(s) and the Commercial Paper Rate(s).

(D) By 1:00 p.m., New York City time, on each Rate Determination Date, the Remarketing Agent shall apply for and obtain CUSIP numbers for each Series 2024A Bond in the Commercial Paper Mode (which the Bond Trustee will promptly assign) for which a Commercial Paper Rate, a Purchase Date and Interest Period have been determined on such date and give the Bond Trustee and Tender Agent Immediate Notice of such assignment.

(E) By acceptance of any Series 2024A Bond during a Commercial Paper Mode, the Holder thereof shall be deemed to have agreed, during each Interest Period, to the Commercial Paper Rate (including the Alternate Rate, if applicable), Interest Period and Purchase Date then applicable thereto and to have further agreed to tender such Series 2024A Bond to the Tender Agent for purchase on the Purchase Date at the Purchase Price; provided, however, that in the event that a Holder fails to tender such Series 2024A Bond on the Purchase Date, such Series 2024A Bond will be deemed to have been tendered on such Purchase Date, and thereafter the Holder shall be entitled to receive only the Purchase Price for such Series 2024A Bond.

Section 206. Determination of Interest Rates During the Daily Mode and the Weekly Mode.

(A) Method of Determining Interest Rates. At the option of the Authority upon the direction of the Corporation, Series 2024A Bonds not currently bearing interest in the Daily Mode or Weekly Mode, as applicable, may be converted to bear interest at the Daily Rate or Weekly Rate, as applicable, pursuant to the terms of Section 212(A) hereof. Interest on any Series 2024A Bonds in the Daily Mode or Weekly Mode shall accrue at the rate of interest per annum determined by the Remarketing Agent on and as of the Rate Determination Date as the minimum rate of interest which, in the judgment of the Remarketing Agent under then-existing market conditions, would result in the sale of such Series 2024A Bonds, on the Rate Determination Date in the case of the Daily Mode and on the first day of the Interest Period immediately succeeding the Rate Determination Date in the case of the Weekly Mode, at a price equal to the Purchase Price. Such determination shall be conclusive and binding upon the Interested Parties.

(B) Determination Time for Daily Rate. During the Daily Mode, the Remarketing Agent shall establish the Daily Rate by 10:30 a.m., New York City, time on each Business Day. The Daily Rate for any day during the Daily Mode which is not a Business Day shall be the Daily Rate established on the immediately preceding Business Day. The Remarketing Agent shall make the Daily Rate available by Electronic Means to the Bond Trustee, any requesting Bondholder or other Interested Party who contacts the Remarketing Agent by 2:00 p.m., New York City time, on the Rate Determination Date.

(C) Determination Time for Weekly Rate. During the Weekly Mode, the Remarketing Agent shall establish the Weekly Rate by 5:00 p.m., New York City time, on each Rate Determination Date. The Weekly Rate shall be in effect (1) initially, from and including the first day any Series 2024A Bonds become subject to the Weekly Mode to and including the following Wednesday and (2) thereafter, from and including each Thursday to and including the following Wednesday. The Remarketing Agent shall make the Weekly Rate available after

5:00 p.m., New York City time, on the Rate Determination Date by Electronic Means to the Bond Trustee, any Bondholder or other Interested Party who contacts the Remarketing Agent.

Section 207. Determination of Indexed Rates and Term Rates.

(A) Determination of Indexed Rate. At the option of the Authority (at the direction of the Corporation) all or a portion of the Series 2024A Bonds may be converted to bear interest at the Indexed Rate to the final Maturity Date of the Series 2024A Bonds. Unless the Authority elects otherwise, the Indexed Rate shall be recalculated each Business Day. The index on which the Indexed Rate shall be based shall be the SIFMA Municipal Index unless the Authority (at the direction of the Corporation and after consultation with the Remarketing Agent) shall select another index not less than five Business Days prior to the Rate Determination Date. The Remarketing Agent shall determine the percentage to be used in calculating the Indexed Rate not later than 4:00 p.m., New York City time, on the Rate Determination Date. The percentage shall be the lowest percent which, when multiplied by the index, in the reasonable judgment of the Remarketing Agent, will result in a sale of the Series 2024A Bonds at a price equal to the Purchase Price on the first day of the Indexed Rate Mode Change Date. At the time the Authority gives notice of its intent to change to the Indexed Mode, the Authority (at the request of the Corporation) may also determine an interest rate for the initial Interest Payment Period from the Mode Change Date to the first Interest Payment Date in the Indexed Mode which is not based on the index and percentage, a different frequency with which the Indexed Rate shall be recalculated from that specified above and different Interest Payment Dates from those specified in the definition of Interest Payment Dates, all of which shall be contained in the Authority's notice of intent to change to the Indexed Mode, which determination shall be accompanied by a Favorable Opinion of Bond Counsel dated the Mode Change Date addressed to the Bond Trustee, the Authority, the Tender Agent, the Credit Facility Provider, the Liquidity Facility Provider and the Remarketing Agent. The Remarketing Agent shall make such information available by Immediate Notice to any Bondholder requesting such information and to the Corporation, the Authority, the Bond Trustee and the Tender Agent. On each Business Day on which the Indexed Rate is recalculated by the Remarketing Agent, the Tender Agent shall give Immediate Notice of such rate upon request from any Bondholder, the Corporation, the Authority, the Bond Trustee, the Credit Facility Provider or the Liquidity Facility Provider, if any. Such determination shall be conclusive and binding upon the Corporation, the Authority, the Bond Trustee, the Tender Agent, the Credit Facility Provider, the Liquidity Facility Provider, if any, the Remarketing Agent and the Holders.

(B) Reserved.

(C) Method of Determining Term Rate, Interest Period and Purchase Date During Term Rate Mode. Interest Periods during a Term Rate Mode shall be at least 180 calendar days in length. Upon any conversion to a Term Rate Mode, the length of the initial Interest Period or Interest Periods shall be designated by the Authority (at the direction of the Corporation). During the Term Rate Mode, the Authority shall designate (at the direction of the Corporation) an Interest Period or Interest Periods succeeding the immediately preceding Interest Period. Each such designation shall be made by the Authority's giving Immediate Notice thereof to the Bond Trustee, the Tender Agent, the Remarketing Agent, the Credit Facility Provider and the Liquidity Facility Provider, which shall be given no later than the 10th Business Day preceding the proposed Interest Period of such Bonds. The Term Rate established on each Rate

Determination Date for Series 2024A Bonds in the Term Rate Mode shall be the minimum rate which, in the judgment of the Remarketing Agent, will result in a sale of the Series 2024A Bonds for each Interest Period in the Term Rate Mode at a price equal to the Purchase Price on the first day of the applicable Interest Period immediately succeeding the Rate Determination Date. If a new Interest Period is not designated by the Authority (at the direction of the Corporation) prior to the Business Day next preceding the Purchase Date for the Interest Period then in effect, all of the Series 2024A Bonds in the Term Rate Mode in the Interest Period then in effect shall be converted automatically on the Purchase Date to the Weekly Mode bearing interest at Weekly Rates established in accordance with Section 206(A) hereof.

(D) Determination Time for Term Rates. Except as provided in Section 207(E), once any portion of the Series 2024A Bonds are changed to the Term Rate Mode, such Series 2024A Bonds shall continue in the Term Rate Mode until changed to another Mode in accordance with Section 212 hereof. The Term Rate for each Interest Period shall be determined by the Remarketing Agent not later than 4:00 p.m., New York City time, on the Rate Determination Date for each Interest Period. After 4:00 p.m., New York City time, on the Rate Determination Date, the Remarketing Agent shall make the Term Rate for an Interest Period available by telephone to any Bondholder and to the Corporation, the Authority, the Bond Trustee, the Tender Agent, the Credit Facility Provider and the Liquidity Facility Provider. The Remarketing Agent shall provide Immediate Notice of the Term Rate for an Interest Period no later than the second Business Day after the Rate Determination Date for such Interest Period.

(E) Default to Weekly Mode. If, for any reason, a new Term Rate cannot be established for an Interest Period on a Rate Determination Date or there is a failure to remarket on a Purchase Date the Series 2024A Bonds in the Term Rate Mode for an Interest Period pursuant to Section 509, then all of the Series 2024A Bonds in the Term Rate Mode in the Interest Period then in effect for which a new Term Rate cannot be established or for which there is such a failed remarketing shall be changed automatically on the Purchase Date to bear interest at Weekly Rates established in accordance with Section 206(A) hereof.

Section 208. Determination of Fixed Rate. At the option of the Authority upon direction of the Corporation and with the consent of the Credit Facility Provider, if any, Series 2024A Bonds not bearing interest at Fixed Rates may be converted to bear interest at Fixed Rates to the Maturity Dates thereof in the manner provided in Sections 212 and 502(B) hereof. The Remarketing Agent shall determine the Fixed Rate for each maturity of the Series 2024A Bonds to be converted to the Fixed Rate Mode not later than 4:00 p.m., New York City time, on the Rate Determination Date as provided in Section 502(B) hereof. The Fixed Rates shall be the rate or rates determined in accordance with Section 502(B) hereof. The Remarketing Agent shall make the Fixed Rates available by Electronic Means or telephone to any Bondholder and to the Corporation, the Authority, the Bond Trustee, the Tender Agent or the Credit Facility Provider. Upon request of any Bondholder, the Corporation, the Authority, the Bond Trustee or the Credit Facility Provider, the Tender Agent shall give Immediate Notice of such rate. Such determination shall be conclusive and binding upon the Interested Parties.

Section 209. Alternate Rate for Interest Calculation.

(A) With respect to Series 2024A Bonds in a Daily Mode, in the event that the Remarketing Agent fails to establish a Daily Rate for any Business Day, then (i) the Daily Rate

for such day shall be the same as the Daily Rate for the immediately preceding day if the Daily Rate for such preceding day was determined by the Remarketing Agent or (ii) if no Daily Rate for the immediately preceding day was determined by the Remarketing Agent or in the event that the Daily Rate determined by the Remarketing Agent shall be held to be invalid or unenforceable by a court of law, then the interest rate for such day shall be equal to 100% of the SIFMA Municipal Index, made available for such day, or if such index is no longer available, or no such index was so made available for such day, 70% of the interest rate on 30-day high grade unsecured commercial paper notes sold through dealers by major corporations as reported in *The Wall Street Journal* or *The Bond Buyer* on the day the Daily Rate would otherwise be determined as provided herein for such Interest Period during a Daily Mode as specified by the Authority to the Tender Agent. However, if there is no Remarketing Agent in place, or if there is no Liquidity Facility in place, the rate will be set at the Maximum Rate.

(B) With respect to Series 2024A Bonds in a Weekly Rate, if the Remarketing Agent fails to establish a Weekly Rate for any week with respect to the Series 2024A Bonds bearing interest at such rate, then (i) the Weekly Rate for such week shall be the same as the Weekly Rate for the immediately preceding week if the Weekly Rate for such immediately preceding week was determined by the Remarketing Agent or (ii) if no Weekly Rate for the immediately preceding week was determined by the Remarketing Agent or if the Weekly Rate determined by the Remarketing Agent shall be held to be invalid or unenforceable by a court of law, then the Weekly Rate for such week shall be equal to 100% of the SIFMA Municipal Index, made available for the week preceding the date of determination, or if such index is no longer available, or no such index was made available for the week preceding the date of determination, 70% of the interest rate on 30-day high grade unsecured commercial paper notes sold through dealers by major corporations as reported in *The Wall Street Journal* or *The Bond Buyer* on the day such Weekly Rate would otherwise be determined as provided herein for such Weekly Rate Period as specified by the Authority to the Tender Agent. However, if there is no Remarketing Agent in place, or if there is no Liquidity Facility in place, the rate will be set at the Maximum Rate.

(C) With respect to Series 2024A Bonds in a Commercial Paper Mode, if the Remarketing Agent fails to set the length of an Interest Period during such Mode for any Series 2024A Bond, it will extend by one Business Day (or until the earlier stated maturity of the Series 2024A Bonds) automatically until the Remarketing Agent is able to set the rate and, if in that instance the Remarketing Agent fails for whatever reason to determine the interest for such Series 2024A Bond, then the interest rate for such Series 2024A Bond for that Interest Period shall be the Commercial Paper Rate in effect for such Series 2024A Bond for the preceding Interest Period. However, if there is no Remarketing Agent in place, or if there is no Liquidity Facility in place, the rate will be set at the Maximum Rate.

(D) With respect to Series 2024A Bonds in a Term Rate Mode, if, for any reason, the Term Rate for Series 2024A Bonds is not so determined for such Mode by the Remarketing Agent on or prior to the first day of such Interest Period, then the Series 2024A Bonds shall bear interest at the Weekly Rate as provided in Section 206 hereof, and shall continue to bear interest at a Weekly Rate determined in accordance with Section 206 until such time as the interest rate on the Series 2024A Bonds shall have been adjusted to another Mode as provided herein, and the Series 2024A Bonds shall continue to be subject to mandatory purchase as described in Section 506.

(E) With respect to Series 2024A Bonds in a R-FLOATs Rate Mode, if, for any reason, the R-FLOATs Rate for Series 2024A Bonds is not so determined, then the Series 2024A Bonds shall bear interest as provided in Section 211 hereof.

Section 210. Determination of Bank Fixed Rates; Determination of Bank Index Rates; Subsequent Bank Rate Periods; Index Agent; Remarketing Agent.

(A) Determination of Bank Fixed Rates.

(1) During each Bank Fixed Rate Period, the Bonds shall, subject to Section 210(F) below, bear interest at the Bank Fixed Rate. The Bank Fixed Rate for the Series 2024A Bonds in the Bank Fixed Mode shall be calculated on the applicable Rate Determination Date for each Bank Fixed Rate Period by the Market Agent, shall become effective on the applicable Bank Rate Change Date next succeeding such Rate Determination Date and shall be equal to the lower of (a) the Maximum Rate (subject to the provisions of Section 210(F) below) and (b) the Bank Fixed Rate.

(2) Prior to the commencement of any Bank Fixed Rate Period,

(a) the Corporation shall provide a Written Request to the Market Agent appointed pursuant to Section 210(E) to determine the Bank Fixed Rate for such Bank Fixed Rate Period and

(b) the Market Agent shall determine on or prior to the Rate Determination Date preceding such Bank Fixed Rate Period, the Bank Fixed Rate for such Bank Fixed Rate Period, which shall be an interest rate that will result in the Bank Fixed Rate to be equal to the minimum interest rate per annum (based upon tax exempt obligations comparable, in the judgment of the Market Agent, to the Series 2024A Bonds and known to the Market Agent to have been priced or traded under the prevailing market conditions) which, in the judgment of the Market Agent under then-existing market conditions, will enable the Series 2024A Bonds to be sold on such date at a price (without regard to accrued interest) equal to 100% of the principal amount thereof. The Bank Fixed Rate shall be rounded upward to the second decimal place. The Market Agent shall provide Immediate Notice to the Bond Trustee, the Corporation, the Purchaser and the Index Agent of the Bank Fixed Rate by 10:00 a.m., New York City time, on the Rate Determination Date for such Bank Fixed Rate Period, and any adjustment will take effect on the Bank Rate Change Date.

(3) The determination by the Market Agent of the Bank Fixed Rate (absent manifest error) shall be conclusive and binding upon the Authority, the Corporation, the Bond Trustee and the Purchaser.

(B) Determination of Bank Index Rates.

(1) During each Bank Index Rate Period, the Bonds shall, subject to Section 210(F) below, bear interest at the Bank Index Rate from time to time in effect. The Bank Index Rate for the Series 2024A Bonds in the Bank Index Mode shall be calculated on each Rate Determination Date by the Index Agent, shall become effective on the Bank

Index Rate Reset Date next succeeding such Rate Determination Date to but excluding the next succeeding Bank Index Rate Reset Date and shall be equal to the lower of (a) the Maximum Rate (subject to the provisions of Section 210(F) below) and (b) the Bank Index Rate; provided, that the Bank Index Rate shall be rounded upward to the third decimal place.

The Index Agent shall calculate the Bank Index Rate for each Interest Period on each Rate Determination Date and shall provide Immediate Notice of such Bank Index Rate to the Bond Trustee, the Purchaser and the Corporation. The Bank Index Rate so determined shall be effective for the Interest Period immediately following such Rate Determination Date. The determination by the Index Agent of the Bank Index Rate, the Taxable Rate and the Default Rate (absent manifest error) shall be conclusive and binding upon the Authority, the Corporation, the Bond Trustee and the Purchaser. If for any reason the Index Agent shall fail to establish the Bank Index Rate, the Taxable Rate or the Default Rate for any Interest Period, the Series 2024A Bonds shall bear interest at the Bank Index Rate, the Taxable Rate or the Default Rate last in effect until the Index Agent next determines the Bank Index Rate, the Taxable Rate or the Default Rate as required hereunder.

(2) Prior to the commencement of any Bank Index Rate Period (other than a Subsequent Bank Index Rate Period),

(a) the Corporation shall select the Index and provide a Written Request to the Market Agent appointed pursuant to Section 210(E) to determine the Applicable Factor and the Applicable Spread for such Bank Index Rate Period and

(b) the Market Agent shall determine on or prior to the Rate Determination Date preceding such Bank Index Rate Period, the Applicable Factor and the Applicable Spread for such Bank Index Rate Period, which shall be a combination that will result in the Bank Index Rate determined in accordance with Section 210(B)(1) to be equal to the minimum interest rate per annum (based upon tax exempt obligations comparable, in the judgment of the Market Agent, to the Series 2024A Bonds and known to the Market Agent to have been priced or traded under the prevailing market conditions) which, in the judgment of the Market Agent under then-existing market conditions, will enable the Series 2024A Bonds to be sold on such date at a price (without regard to accrued interest) equal to 100% of the principal amount thereof. The Market Agent shall provide Immediate Notice to the Bond Trustee, the Corporation and the Index Agent of the Applicable Spread and the Applicable Factor by 10:00 a.m., New York City time, on the Rate Determination Date for such Bank Index Rate Period, and any adjustment will take effect on the Bank Rate Change Date.

(C) Subsequent Bank Rate Periods; Determination of Bank Index Rate and Bank Fixed Rate in a Subsequent Bank Rate Period.

(1) Prior to the end of the then-existing Bank Rate Period and in accordance with the provisions of the Continuing Covenant Agreement, the Corporation may request

in writing, that the Purchaser agree to hold the Series 2024A Bonds for a Subsequent Bank Rate Period. In addition, each such Written Request of the Corporation shall contain the following:

- (a) the proposed commencement and ending dates of the Subsequent Bank Rate Period;
- (b) a designation of whether the Series 2024A Bonds will bear interest at a Bank Index Rate for a Subsequent Bank Index Rate Period (and specify the Index) or at a Bank Fixed Rate for a Subsequent Bank Fixed Rate Period;
- (c) if the Series 2024A Bonds shall bear interest at a Bank Index Rate, the Applicable Spread and the Applicable Factor for the proposed Subsequent Bank Index Rate Period, determined in accordance with Section 210(B) hereof; and
- (d) if the Series 2024A Bonds shall bear interest at a Bank Fixed Rate, a request that the Market Agent provide the Corporation with a quote of the Bank Fixed Rate for the proposed Subsequent Bank Fixed Rate Period determined in accordance with Section 210(A) hereof.

The determination of the Purchaser to accept or reject the Corporation's request for a Subsequent Bank Rate Period in accordance with the provisions of the Continuing Covenant Agreement shall be within the sole and absolute discretion of the Purchaser.

If the Purchaser accepts the Corporation's Written Request for a Subsequent Bank Rate Period and exercises its Right to Retain, the Corporation shall direct the Purchaser to inform the Bond Trustee of the Subsequent Bank Fixed Rate Period (including the Bank Fixed Rate) or the Subsequent Bank Index Rate Period (including the Index, Applicable Spread and Applicable Factor), as applicable, and the new Bank Rate Purchase Date with respect thereto. Such notification to the Bond Trustee shall be no later than 2 Business Days prior to the date upon which the Bond Trustee is required to give notice of mandatory tender of the Series 2024A Bonds pursuant to Section 505(B) hereof. Upon such notification of the Bond Trustee, the Purchaser will be deemed to have exercised the Right to Retain. The Subsequent Bank Rate Period shall commence on a Business Day specified by the Corporation in its Written Request (or such other Business Day agreed to by the Purchaser and the Corporation), which date shall become the Bank Rate Purchase Date for the then-existing Bank Rate Period. The Series 2024A Bonds shall bear interest during such Subsequent Bank Rate Period at either the Bank Fixed Rate or the Bank Index Rate, but not both.

Subject to Section 210(D) below, if the Purchaser does not exercise the Right to Retain, (i) there shall be no change in the then-existing Bank Rate Period on the Bank Rate Change Date proposed in the Corporation's Written Request, (ii) the then-existing Bank Index Rate Period (including the Applicable Factor and the Applicable Spread) or Bank Fixed Rate Period (including the Bank Fixed Rate), as applicable, shall remain in effect and (iii) such Series 2024A Bonds shall remain subject to mandatory purchase on

the Bank Index Rate Purchase Date or Bank Fixed Rate Purchase Date, as applicable, for the then-existing Bank Rate Period.

(2) Prior to submitting a Written Request for a Subsequent Bank Index Rate Period, the Corporation shall provide a Written Request to the Market Agent appointed pursuant to Section 210(E) to determine the Applicable Factor and the Applicable Spread for such proposed Subsequent Bank Index Rate Period and to provide written notice of such determination to the Corporation and the Purchaser. The Applicable Factor and the Applicable Spread for such Subsequent Bank Index Rate Period shall be a combination that will result in the Bank Index Rate determined in accordance with Section 210(B) to be equal to the minimum interest rate per annum (based upon tax exempt obligations comparable, in the judgment of the Market Agent, to the Series 2024A Bonds and known to the Market Agent to have been priced or traded under the prevailing market conditions) which, in the judgment of the Market Agent under then-existing market conditions, will enable the Series 2024A Bonds to be sold on the date of determination at a price (without regard to accrued interest) equal to 100% of the principal amount thereof.

(3) Prior to submitting a Written Request for a Subsequent Bank Fixed Rate Period, the Corporation shall provide a Written Request to the Market Agent appointed pursuant to Section 210(E) to determine the Bank Fixed Rate for such proposed Subsequent Bank Fixed Rate Period and to provide written notice of such determination to the Corporation and the Purchaser. The Bank Fixed Rate for such proposed Subsequent Bank Fixed Rate Period shall be calculated in accordance with Section 210(A) hereof.

(4) During each Subsequent Bank Fixed Rate Period, the Series 2024A Bonds shall bear interest at the Bank Fixed Rate, as determined on the applicable Rate Determination Date. The Bank Fixed Rate for the Series 2024A Bonds in each Subsequent Bank Fixed Rate Period shall be calculated on the applicable Rate Determination Date by the Market Agent in accordance with and subject to the provisions of Section 210(A) hereof.

(5) During each Subsequent Bank Index Rate Period, the Series 2024A Bonds shall bear interest at the Bank Index Rate. The Bank Index Rate for the Series 2024A Bonds in each Subsequent Bank Index Rate Period shall be calculated on each Rate Determination Date by the Index Agent in accordance with and subject to the provisions of Section 210(B) hereof.

(6) In connection with the commencement of any Subsequent Bank Rate Period, the Corporation shall provide a Favorable Opinion of Bond Counsel dated the Bank Rate Change Date and addressed to the Bond Trustee, the Authority, the Purchaser and the Market Agent.

(D) Optional Term-Out Period. If the Purchaser does not exercise the Right to Retain pursuant to Section 210(C)(1) above, so long as the Continuing Covenant Agreement then provides for a Term-Out Period and the conditions precedent to such Term-Out Period are satisfied on the then-applicable Bank Fixed Rate Purchase Date or Bank Index Rate Purchase

Date, the Corporation may provide the Purchaser, the Bond Trustee and the Authority with written notice of its election to have the Purchaser hold the Series 2024A Bonds for an additional period of time commencing on the immediately succeeding Bank Rate Purchase Date (upon which Bank Rate Purchase Date the Series 2024A Bonds shall not be subject to purchase) and ending on the earliest of (1) the Term-Out Purchase Date, (2) the Maturity Date, (3) the date on which the Bonds are redeemed in full and (4) the date on which the Series 2024A Bonds are remarketed (the “*Term-Out Period*”). The last day of the Term-Out Period shall be the Term-Out Purchase Date for such Term-Out Period. During the Term-Out Period, the Series 2024A Bonds (regardless of whether such Bonds are in the Bank Index Mode or the Bank Fixed Mode) shall bear interest at the Term-Out Rate. Notwithstanding the foregoing, during the Term-Out Period, the Series 2024A Bonds shall remain subject to acceleration upon the occurrence of an Event of Default.

During the Term-Out Period, the Series 2024A Bonds shall continue to be subject to mandatory redemption pursuant to the schedule set forth in Section 502 hereof and shall be payable in full on the Term-Out Purchase Date in accordance with Section 505(C) hereof and any applicable Continuing Covenant Agreement.

Notwithstanding the foregoing, to the extent the Continuing Covenant Agreement does not provide for a Term-Out Period or if the conditions precedent to such Term-Out Period are not satisfied on the then-applicable Bank Fixed Rate Purchase Date or Bank Index Rate Purchase Date, the Series 2024A Bonds shall remain subject to mandatory purchase on the Bank Index Rate Purchase Date or Bank Fixed Rate Purchase Date, as applicable, for the then-existing Bank Rate Period and the failure to purchase the Series 2024A Bonds on the applicable Bank Fixed Rate Purchase Date or Bank Index Rate Purchase Date shall constitute an Event of Default hereunder subject to the remedies set forth in Article VII hereof and the Series 2024A Bonds shall bear interest at the Default Rate.

(E) Remarketing Agent; Index Agent; Market Agent.

(1) *Remarketing Agent:* While the Series 2024A Bonds are in a Bank Index Mode or a Bank Fixed Mode and to the extent the Series 2024A Bonds are to be converted to a Mode other than a Bank Index Mode or a Bank Fixed Mode, the Corporation shall appoint, pursuant to Section 511 hereof, a Remarketing Agent at such times as are required to remarket such Bonds on the applicable Mode Change Date.

(2) *Index Agent:* While the Series 2024A Bonds are in a Bank Index Rate Period, an Index Agent shall be appointed by the Corporation and shall serve as such under the terms and provisions hereof. The Corporation may appoint a new Index Agent on any Bank Rate Change Date; provided that the Purchaser for the Bank Index Rate Period immediately succeeding such Bank Rate Change Date must consent to any such appointment if the Index Agent so appointed is not the Purchaser for such immediately succeeding Bank Index Rate Period.

(3) *Market Agent:*

(a) While the Series 2024A Bonds are in a Mode other than a Bank Index Mode and to the extent such Series 2024A Bonds are to be converted to a

Bank Index Mode in accordance with the terms of Section 212(A) hereof, the Corporation shall appoint a Market Agent at such times as are required to determine the Applicable Spread and the Applicable Factor in accordance with the provisions of Section 210(B)(2)(b) and 210(C)(2) in order to allow a determination on the applicable Rate Determination Date of the Bank Index Rate to be effective on the Mode Change Date and each subsequent Rate Determination Date.

(b) While the Series 2024A Bonds are in a Mode other than a Bank Fixed Mode and to the extent such Series 2024A Bonds are to be converted to a Bank Fixed Mode in accordance with the terms of Section 212(A) hereof, the Corporation shall appoint a Market Agent at such times as are required to determine the Bank Fixed Rate, in accordance with the provisions of Section 210(A), on the applicable Rate Determination Date to be effective on the Mode Change Date.

(c) While the Series 2024A Bonds are in a Bank Rate Period and to the extent the Series 2024A Bonds are to be changed to a new Bank Rate Period bearing interest at a Bank Fixed Rate, the Corporation shall appoint a Market Agent at such times as are required to determine the Bank Fixed Rate, in accordance with the provisions of Section 210(A), on the applicable Rate Determination Date.

(d) While the Series 2024A Bonds are in a Bank Rate Period and to the extent the Series 2024A Bonds are to be changed to a new Bank Rate Period bearing interest at a Bank Index Rate, the Corporation shall appoint a Market Agent at such times as are required to determine the Applicable Spread and the Applicable Factor, in accordance with the provisions of Section 210(B)(2)(b) and 210(C)(2), in order to allow a determination on each applicable Rate Determination Date of the Bank Index Rate.

(F) Adjustments to Bank Index Rate and Bank Fixed Rate. Additionally, notwithstanding the foregoing provisions of this Section 210, while the Series 2024A Bonds are in a Bank Rate Period:

(1) during any Term-Out Period, the Bank Index Rate shall be the Term-Out Rate;

(2) upon the occurrence and during the continuance of an Event of Default, the Bank Index Rate, the Bank Fixed Rate or the Term-Out Rate, as applicable, shall (effective on the date of such Event of Default) be converted to a rate equal to the Default Rate;

(3) upon the occurrence of a Taxable Date, the Bank Index Rate, the Bank Fixed Rate or the Term-Out Rate, as applicable, shall (effective on the date as of which interest on the Bonds first becomes includable in the gross income of the Purchaser) be converted to a rate equal to the Taxable Rate; and

(4) if during a Bank Rate Period (or during the Term-Out Period) the rate of interest on the Series 2024A Bonds exceeds the Maximum Rate for such Bonds, then

(a) such Bonds shall bear interest at the Maximum Rate and (b) interest on such Bonds calculated at the rate equal to the difference between (i) the rate of interest for such Bonds as calculated pursuant to the terms hereof and (ii) the Maximum Rate (the “*Excess Interest*”) shall be deferred until such date as the rate of interest borne by such Bonds as calculated pursuant to Section 210 hereunder is below the Maximum Rate, at which time Excess Interest shall be payable with respect to such Bonds. Payments of deferred Excess Interest shall no longer be due and payable upon the earlier to occur of the date on which such Bonds are tendered for purchase in accordance with the terms hereof and are so paid or such Bonds are paid in full.

Section 211. *Determination of R-FLOATs Rate; Establishment of R-FLOATs Periods; Tender of R-FLOATs Bonds.* (A) Determination of R-FLOATs Rate.

(1) Interest on R-FLOATs Bonds shall accrue on the basis of the actual number of days elapsed during the R-FLOATs Period and a year of 365 days (366 days in a leap year). Interest on the R-FLOATs Bonds shall be paid on each Interest Payment Date, any R-FLOATs Tender Date, any redemption date and on the Maturity Date therefor. Interest on R-FLOATs Bonds shall be payable on each Interest Payment Date for the period commencing on the Mode Change Date (or new R-FLOATs Period, as applicable) preceding the prior Interest Payment Date and ending on the day immediately preceding such Interest Payment Date.

(2) The R-FLOATs Rate for any Bond in the R-FLOATs Rate Mode shall be determined as follows:

(a) A Bond in the R-FLOATs Rate Mode may be in an R-FLOATs Daily Period, R-FLOATs Weekly Period, an R-FLOATs Monthly Period, or an R-FLOATs Term Period. All Bonds in the R-FLOATs Rate Mode shall have the same R-FLOATs Period, and all Bonds with an R-FLOATs Term Period shall have the same R-FLOATs Term Period. During the R-FLOATs Rate Mode, the Corporation shall establish the applicable R-FLOATs Period. If a Bond is converted to the R-FLOATs Rate Mode, the Corporation shall elect the R-FLOATs Period for such Bond on or prior to the last Business Day before the Mode Change Date. During the R-FLOATs Rate Mode, the Corporation may elect to change the R-FLOATs Period for Bonds in the R-FLOATs Rate Mode, subject to the following terms and conditions:

(i) Any change in the R-FLOATs Period may be effective only on an R-FLOATs Reset Date.

(ii) The Corporation’s election to change the R-FLOATs Period to an R-FLOATs Daily Period, an R-FLOATs Weekly Period or an R-FLOATs Monthly Period must be given as provided in Section 212 and be accompanied by a Favorable Opinion of Bond Counsel.

(iii) Bonds in an R-FLOATs Daily Period, an R-FLOATs Weekly Period or an R-FLOATs Monthly Period shall remain in such period unless the Corporation elects to change the period.

(iv) The Corporation may elect an R-FLOATs Term Period, which must be more than 35 days and must end on a day that is immediately prior to a Business Day. If the Corporation elects an R-FLOATs Term Period that ends on a day that is not in fact immediately prior to a Business Day, then such R-FLOATs Term Period shall automatically extend to the next day that is immediately prior to a Business Day.

(v) An election by the Corporation to establish an R-FLOATs Term Period may provide that successive R-FLOATs Term Periods of specified length shall be established with respect to Bonds in the R-FLOATs Rate Mode. If such a notice is delivered, no additional notice shall be required from the Corporation with respect to the subsequent R-FLOATs Term Periods so specified. Any such notice may be revoked by the Corporation, but the revocation shall be applicable only with respect to R-FLOATs Term Periods that would have commenced after the date of the notice of revocation.

(vi) Upon the expiration of any R-FLOATs Term Period, the R-FLOATs Period shall automatically revert to an R-FLOATs Weekly Period unless the Corporation makes a timely election to change the R-FLOATs Period to the R-FLOATs Daily Period, the R-FLOATs Monthly Period or another R-FLOATs Term Period or to another Mode provided in this Bond Indenture; provided, however, that in any event, the day immediately following the last day of the R-FLOATs Term Period shall be a Mandatory Purchase Date.

(b) The R-FLOATs Daily Rate shall be set initially on the Mode Change Date (if converted to the R-FLOATs Rate Mode with an R-FLOATs Daily Period) and shall change on each Business Day while the Bonds are in an R-FLOATs Daily Period (each Business Day being an “R-FLOATs Daily Reset Date”). The R-FLOATs Daily Rate shall be determined when set initially and on each R-FLOATs Reset Date or, if any R-FLOATs Reset Date is not a Business Day, on the last Business Day prior to such R-FLOATs Reset Date (each such date being an “R-FLOATs Daily Rate Determination Date”). The R-FLOATs Daily Rate so determined shall be effective on the R-FLOATs Reset Date and shall remain in effect until (and including) the following Business Day.

(c) The R-FLOATs Weekly Rate shall be set initially on the Mode Change Date (if converted to the R-FLOATs Rate Mode with an R-FLOATs Weekly Period) and shall change on each Thursday while the Bonds are in an R-FLOATs Weekly Period (each Thursday being an “R-FLOATs Weekly Reset Date”). The R-FLOATs Weekly Rate shall be determined when set initially and on each R-FLOATs Reset Date or, if any R-FLOATs Reset Date is not a Business Day, on the last Business Day prior to such R-FLOATs Reset Date (each such date being an “R-FLOATs Weekly Rate Determination Date”). The R-FLOATs Weekly Rate so determined shall be effective on the R-FLOATs Reset Date and shall remain in effect until (and including) the following Wednesday.

(d) The R-FLOATs Monthly Rate shall be determined (i) on the last Business Day immediately prior to the first day of an R-FLOATs Monthly Period and (ii) on the last Business Day of each month during the R-FLOATs Monthly Period (each such date being an “R-FLOATs Monthly Rate Determination Date”). The R-FLOATs Monthly Rate so determined shall be effective on the first day of the R-FLOATs Monthly Period or the first Business Day following the R-FLOATs Rate Determination Date, as the case may be (each such date being an “R-FLOATs Monthly Reset Date”), and shall remain in effect until (and including) the day immediately prior to the first Business Day of the following month.

(e) An R-FLOATs Term Rate shall be set on the last Business Day immediately prior to the first day of an R-FLOATs Term Period (each such date being an “R-FLOATs Term Rate Determination Date” and, together with the R-FLOATs Daily Rate Determination Date, the R-FLOATs Weekly Rate Determination Date and the R-FLOATs Monthly Rate Determination Date, the “R-FLOATs Rate Determination Date”). The R-FLOATs Term Rate so determined shall be effective on the first day of the R-FLOATs Term Period (each such date being an “R-FLOATs Term Reset Date” and, together with the R-FLOATs Daily Reset Date, the R-FLOATs Weekly Reset Date and the R-FLOATs Monthly Reset Date, the “R-FLOATs Reset Date”) and shall remain in effect until (and including) the last day of such R-FLOATs Term Period.

(f) The R-FLOATs Rate shall be the lowest interest rate that would, in the opinion of the Remarketing Agent, result in the market value of the Bonds being 100% of the principal amount thereof on the applicable R-FLOATs Rate Determination Date, taking into account relevant market conditions and credit rating factors as they exist on such date. If the Remarketing Agent fails to determine the R-FLOATs Rate on any R-FLOATs Rate Determination Date, the R-FLOATs Rate on the following R-FLOATs Reset Date shall be the Maximum Interest Rate.

(g) The R-FLOATs Rate may not exceed the Maximum Interest Rate.

(h) On each R-FLOATs Rate Determination Date the Remarketing Agent shall give notice to the Bond Trustee of any R-FLOATs Rate so determined. Upon the request of any holder, the Bond Trustee shall notify the holder of the R-FLOATs Rate so determined.

(i) Notwithstanding the provisions of Section 211(a) through (g), during any R-FLOATs Non-Remarketing Period, all Bonds in the R-FLOATs Rate Mode (including any Bonds in the R-FLOATs Rate Mode that are not R-FLOATs Non-Remarketed Bonds) shall bear interest at the Maximum Interest Rate.

(B) Purchase of Tendered Bonds in the R-FLOATs Rate Mode.

(a) In connection with the tender of Bonds in the R-FLOATs Rate Mode under Sections 504(B) and 506 herein, the Bond Trustee shall hold any tendered Bond in the R-FLOATs Rate Mode delivered to it in trust solely for the benefit of the tendering holder until money representing the Purchase Price of such Bond shall have been delivered to or for the account of such holder.

(b) The Bond Trustee shall obtain funds for payment of the Purchase Price of tendered Bonds in the R-FLOATs Rate Mode from the following sources:

(i) The Remarketing Agent shall deliver all remarketing proceeds to the Bond Trustee or shall instruct the purchaser of any remarketed Bond in the R-FLOATs Rate Mode to deliver the Purchase Price of such remarketed Bond directly to the Bond Trustee. Remarketing proceeds shall be held in a separate, segregated account in the Purchase Fund and shall not be commingled with other money in the Purchase Fund.

(ii) The Corporation shall not be required to provide funds for the purchase of Bonds in the R-FLOATs Rate Mode tendered pursuant to an R-FLOATs Tender, but the Corporation may, at its option, provide funds for the purchase of Bonds in the R-FLOATs Rate Mode tendered pursuant to an R-FLOATs Tender. Funds obtained from the Corporation shall be held in a separate, segregated account in the Purchase Fund and shall not be commingled with other money in the Purchase Fund.

(c) Except as provided in Section 211(C) with respect to R-FLOATs Non-Remarketed Bonds, on the R-FLOATs Tender Date with respect to any Bond in the R-FLOATs Rate Mode, the Bond Trustee shall pay the Purchase Price to the holder of such Bond. Funds available for the Purchase Price of tendered Bonds shall be applied by the Bond Trustee as follows, in the order and priority indicated:

(i) First, remarketing proceeds shall be used to pay the Purchase Price of tendered Bonds in the R-FLOATs Rate Mode other than Bonds owned by, for the account of, or on behalf of, the Corporation or any Affiliate of the Corporation or by the Authority.

(ii) Second, funds provided by the Corporation shall be used to pay the Purchase Price of tendered Bonds in the R-FLOATs Rate Mode that are not purchased with remarketing proceeds.

The Bond Trustee shall not be required to use its own funds to pay the Purchase Price of tendered Bonds in the R-FLOATs Rate Mode. The Bond Trustee shall not pay the Purchase Price of any tendered Bond, unless and until the Holder of such Bond presents such Bond to the Bond Trustee. Any Bond so delivered to the Bond Trustee after the Bond Trustee’s close of business on a Business Day shall be deemed delivered on the following Business Day.

(C) R-FLOATs Non-Remarketed Bonds.

(a) Funds for the purchase of Bonds in the R-FLOATs Rate Mode pursuant to an R-FLOATs Tender shall be derived solely from (i) remarketing proceeds or (ii) funds

that the Corporation elects to provide for such purchase; provided, however, that the Corporation shall not be required to provide funds for the purchase of Bonds tendered pursuant to an R-FLOATs Tender.

(b) If adequate funds are not available in the Purchase Fund on any R-FLOATs Tender Date to pay the Purchase Price of all Bonds in the R-FLOATs Rate Mode tendered for purchase pursuant to the R-FLOATs Tender provisions, no Bonds in the R-FLOATs Rate Mode shall be purchased on such R-FLOATs Tender Date pursuant to the R-FLOATs Tender provisions, and all Bonds in the R-FLOATs Rate Mode tendered for purchase on such R-FLOATs Tender Date shall be considered “R-FLOATs Non-Remarketed Bonds”. The Bond Trustee shall return all R-FLOATs Non-Remarketed Bonds to the holders thereof, and the Bond Trustee shall return any remarketing proceeds deposited in the Purchase Fund with respect to such R-FLOATs Non-Remarketed Bonds to the Remarketing Agent for return to the Persons providing such remarketing proceeds.

(c) The date on which a Bond in the R-FLOATs Rate Mode is returned to the holder pursuant to this Section 211(C) shall be the first day of an R-FLOATs Special Non-Remarketing Period with respect to such Bond. During the R-FLOATs Special Non-Remarketing Period if the Bonds are not already in an R-FLOATs Weekly Period, the R-FLOATs Period for the Bonds shall automatically change to an R-FLOATs Weekly Period. During any R-FLOATs Special Non-Remarketing Period, all Bonds in the R-FLOATs Rate Mode shall bear interest at the Maximum Interest Rate. During any R-FLOATs Special Non-Remarketing Period the Remarketing Agent shall continue to use its best efforts to remarket R-FLOATs Non-Remarketed Bonds. If an R-FLOATs Term-Out Event occurs during the R-FLOATs Special Non-Remarketing Period, all Bonds in the R-FLOATs Rate Mode are subject to mandatory redemption pursuant to Section 502(E) hereof. If all R-FLOATs Non-Remarketed Bonds are successfully remarketed or are successfully converted to another Mode before an R-FLOATs Term-Out Event occurs, redemption of Bonds in the R-FLOATs Rate Mode shall not be required pursuant to Section 502(E).

(D) No Liquidity Facility or Corporation Purchase During R-FLOATs Rate Mode.

Notwithstanding anything herein to the contrary, when the Bonds are in the R-FLOATs Rate Mode, there shall be no Liquidity Facility and the Corporation shall not be obligated to purchase Bonds that are tendered but not remarketed.

Section 212. Changes in Mode. Subject to the provisions of this Section 212 and Section 204(B), the Corporation may effect a change in Mode with respect to the Series 2024A Bonds, other than Series 2024A Bonds in the Indexed Mode, by following the procedures set forth in this Section.

(A) Changes to Modes Other Than the Fixed Rate Mode and Other Than from the Fixed Rate Mode. Subject to Section 212(C), all of the Series 2024A Bonds (other than Series 2024A Bonds in the Indexed Mode, which must remain in such Mode and Series 2024A Bonds proposed to be changed to or from the Fixed Rate Mode which shall be governed by Subsection 212(B) hereof), or a portion of any such Series 2024A Bonds (other than those in a Bank Index

Mode or Bank Fixed Mode), may be changed from one Mode to another Mode (and for purposes of Bonds in the R-FLOATs Rate Mode, the continuation in such Mode but change in R-FLOATs Rate Period) as follows:

(1) *Mode Change Notice; Notice to Holders.* No later than the thirteenth day preceding the proposed Mode Change Date, the Corporation shall give Immediate Notice to the Authority, the Bond Trustee, the Tender Agent, the Remarketing Agent (if any), the Purchaser (if any), the Index Agent (if any), the Liquidity Facility Provider (if any) and the Credit Facility Provider (if any) specifying (a) the Series 2024A Bonds or portions thereof (if the Series 2024A Bonds are not presently in or being changed to a Bank Fixed Mode or a Bank Index Mode) to which such notice relates and its intention to effect a change in the Mode from the Mode then in effect (for purposes of this Section, the “*Current Mode*”) to another Mode (for purposes of this Section, the “*New Mode*”) specified in such written notice, (b) if the change is to a Term Rate Mode, the length of the initial Interest Period, (c) if the change is to a Bank Index Mode, the length of the Bank Index Rate Period, the Index, the Applicable Spread and the Applicable Factor, (d) if the change is to a Bank Fixed Mode, the length of the Bank Fixed Rate Period and the Bank Fixed Rate, and (e) if the change is to the R-FLOATs Rate Mode, the R-FLOATs Period. The Corporation’s notice of intent to effect a change in Mode is revocable no less than three Business Days prior to the proposed Mode Change Date by providing Immediate Notice to the parties identified in the prior sentence that such notice of intent to effect a change in Mode is rescinded. Notice of the proposed change in Mode shall be given to the Holders pursuant to Section 506.

(2) *Determination of Interest Rates.* The New Mode shall commence on the Mode Change Date and the interest rate(s) with respect to the Series 2024A Bonds in the New Mode (together, in the case of a change to the Commercial Paper Mode, with the Interest Period(s) and Purchase Date(s)) shall be determined by the Remarketing Agent in the manner provided in Sections 204, 205, 206, 207, 208, 209 and 211, as applicable, or, in the case of Series 2024A Bonds in the Bank Index Mode or the Bank Fixed Mode, by the Market Agent and the Index Agent, as applicable, as provided in Section 210.

(3) *Conditions Precedent.*

(a) The Mode Change Date shall be an Interest Payment Date.

(b) Additionally, the Mode Change Date in the case of a change:

(i) from the Commercial Paper Mode, shall be a day which is the last Purchase Date for all Interest Periods for such Series 2024A Bonds set by the Remarketing Agent;

(ii) from the Term Rate Mode, shall be the Purchase Date for the current Interest Period;

(iii) from the Bank Index Mode or from the Bank Fixed Mode, shall be subject to Section 212(C) hereof; and

(iv) of the Bonds in the R-FLOATs Period for Bonds in the R-FLOATs Rate Mode, the change shall be on a R-FLOATs Reset Date.

(c) In the case of a change (i) from a Short-Term Mode, from a Bank Index Mode or from a Bank Fixed Mode to a Long-Term Mode, (ii) from a Long-Term Mode, from a Bank Index Mode or from a Bank Fixed Mode to a Short-Term Mode or (iii) to a Bank Index Mode or to a Bank Fixed Mode, the Bond Trustee, the Authority, the Tender Agent, the Credit Facility Provider (if any), the Liquidity Facility Provider (if any), the Purchaser (if any) and the Remarketing Agent (if any) shall have received on the Mode Change Date, a Favorable Opinion of Bond Counsel dated the Mode Change Date and addressed to the Bond Trustee, the Authority, the Tender Agent, the Credit Facility Provider (if any), the Liquidity Facility Provider (if any), the Purchaser (if any) and the Remarketing Agent (if any).

(d) If the Current Mode is the Commercial Paper Mode, no Interest Period set after delivery by the Corporation to the Remarketing Agent of the notice of the intention to effect a change in Mode shall extend beyond the proposed Mode Change Date.

(e) If the current Mode is the R-FLOATs Rate Mode and by the 15th day prior to the last day of any R-FLOATs Term Period which ends on a day other than the day immediately preceding the Maturity Date of the Bonds, the Bond Trustee shall not have received notice of the Corporation's election that, during the next succeeding Interest Period, such Bonds shall bear interest at a Daily Rate, Weekly Rate, a Term Rate, a Bank Fixed Rate, Bank Index Rate, an R-FLOATs Rate, a Fixed Rate or Commercial Paper Rate, the next succeeding Interest Period shall be an R-FLOATs Weekly Period until such time as the interest rate shall be adjusted to a Daily Rate, Weekly Rate, Fixed Rate, Commercial Paper Rate, Bank Fixed Rate, Bank Index Rate, R-FLOATs Rate or Term Rate as provided in this section or Sections 204, 205, 206, 207, 208, 209 and 211, and the Bonds shall be subject to mandatory purchase as provided in Section 506 hereof on the first day of such R-FLOATs Weekly Period.

(f) The Corporation shall deliver to the Tender Agent a Liquidity Facility meeting the requirements hereof if the Corporation elects to provide a Liquidity Facility pursuant to Section 7.10 of the Loan Agreement. If there shall be no Liquidity Facility in effect to provide funds for the purchase of Series 2024A Bonds to be converted to the New Mode on the Mode Change Date, the remarketing proceeds available and the funds provided by the Corporation on the Mode Change Date shall be not less than the amount required to purchase all of the Series 2024A Bonds which are converting on such Mode Change Date at the Purchase Price.

(g) Except with respect to a change from the Daily Mode to the Weekly Mode and vice versa and except with respect to a change from the R-FLOATs Daily Period to the R-FLOATs Weekly Period and vice versa, (i) when the Series 2024A Bonds are covered by a Credit Facility or a Liquidity Facility

that will remain in effect following the Mode Change Date or (ii) when the Series 2024A Bonds are not covered by a Credit Facility or a Liquidity Facility immediately before or immediately after the Mode Change Date, the Bond Trustee shall receive from each Rating Agency then rating the Series 2024A Bonds applicable ratings immediately following the Mode Change Date. In addition, except with respect to a change from the Daily Mode to the Weekly Mode and vice versa covered by a Credit Facility or a Liquidity Facility that will remain in effect following the Mode Change Date, in the event of a conversion of a portion of the Series 2024A Bonds from the Daily Mode or Weekly Mode, the Bond Trustee shall receive written confirmation from each Rating Agency then rating the Series 2024A Bonds that immediately following the Mode Change Date there will be no withdrawal or reduction of the rating then in effect with respect to the Series 2024A Bonds remaining in the Daily Mode or Weekly Mode as a result of the Mode Change Date for a portion of the Series 2024A Bonds.

(h) Notice of the proposed change in Mode shall be given as provided in Section 212(A)(1).

(i) As to the Insured Bonds, the Bond Insurer shall have consented to such change in Mode, including any change to another Fixed Rate Mode.

(4) *Failure to Satisfy Conditions Precedent to Mode Change.* If the foregoing conditions have not been satisfied by the Mode Change Date, the New Mode shall not take effect for the Series 2024A Bonds proposed to be converted to a New Mode, such Series 2024A Bonds shall not be purchased on the proposed Mode Change Date (unless the Series 2024A Bonds are otherwise required to be purchased pursuant to Section 506 as a result of any of the following automatic changes in Mode or are otherwise subject to be purchased under Section 505 or 507) and: (a) if the change was from a Commercial Paper Mode, the Series 2024A Bonds proposed to be changed to the New Mode shall remain in the Commercial Paper Mode with interest rates with respect thereto and Interest Periods to be established in accordance with Section 205; (b) if the change was from a Term Rate Mode, each Series 2024A Bond proposed to be changed to the New Mode shall automatically change to the Weekly Mode bearing interest at the Weekly Rate established in accordance with Section 206(A) hereof; (c) if the change was from the Weekly Mode, the Series 2024A Bonds proposed to be changed to the New Mode shall remain in the Weekly Mode bearing interest at the Weekly Rate established in accordance with Section 206(A) hereof; (d) if the change was from the Daily Mode, the Series 2024A Bonds proposed to be changed to the New Mode shall remain in the Daily Mode bearing interest at the Daily Rate established in accordance with Section 206(A) hereof; (e) if the change was from the Bank Index Mode, the Series 2024A Bonds proposed to be changed to the New Mode shall remain in the Bank Index Mode bearing interest at the Bank Index Rate, the Term-Out Rate or the Default Rate, as applicable, established in accordance with Section 210(B) hereof; (f) if the change was from the Bank Fixed Mode, the Series 2024A Bonds proposed to be changed to the New Mode shall remain in the Bank Fixed Mode bearing interest at the Bank Fixed Rate, the Term-Out Rate or the Default Rate, as applicable, established in accordance with Section 210(A) hereof; (g) if the change was from the R-FLOATs Rate Mode, the Series 2024A Bonds proposed to be changed to the New Mode (or new R-FLOATs Period) shall

remain in the R-FLOATs Rate Mode and bear interest at the R-FLOATs Weekly Rate, and (h) otherwise, such Series 2024A Bonds shall be automatically changed to a Daily Mode. Such a failed conversion shall not constitute an Event of Default hereunder. Notwithstanding the foregoing and subject to Section 210(D) hereof, if the foregoing conditions have not been satisfied by the Mode Change Date and if the change was to be from a Bank Index Mode or a Bank Fixed Mode on a Bank Rate Purchase Date, if such Series 2024A Bonds shall not be purchased on the proposed Mode Change Date (unless such date is a Bank Rate Purchase Date and the conditions precedent set forth in the Continuing Covenant Agreement for conversion to a Term-Out Period have been satisfied, the Bonds will be in the Term-Out Period and bear interest at the Term-Out Rate and an Event of Default shall not have been deemed to have occurred), such failed conversion shall constitute an Event of Default hereunder subject to all of the remedies set forth in Article VII hereof and the Series 2024A Bonds shall bear interest at the Default Rate.

(5) *Revocation of Mode Change Notice.* The Corporation may revoke its election pursuant to Section 212(A)(1) to effect a Mode change by giving Written Notice of such revocation to the Authority, the Bond Trustee, the Tender Agent (if any), the Remarketing Agent (if any), the Liquidity Facility Provider (if any), the Credit Facility Provider (if any) and the Purchaser (if any), not less than three Business Days prior to the proposed Mode Change Date with the same effect as a failed conversion as described in Section 212(A)(4) hereof.

(B) *Change to or from the Fixed Rate Mode.* At the option of the Authority upon direction of the Corporation, a portion of the Series 2024A Bonds not already in the Fixed Rate Mode and not in the Indexed Mode may be changed to the Fixed Rate Mode as provided in this Section 212(B); provided, however, that if the Series 2024A Bonds are in the Bank Fixed Mode or the Bank Index Mode, all of such Bonds shall be converted to either (y) the Fixed Rate Mode pursuant to this Section 212(B) or (z) a combination of the Fixed Rate Mode pursuant to this Section 212(B) and another Mode (other than a Bank Fixed Mode or a Bank Index Mode) pursuant to Section 212(A). Not less than 45 days (or such shorter time as may be agreed to by the Bond Trustee) before the proposed Mode Change Date to the Fixed Rate Mode, the Corporation shall give written notice to the Bond Trustee, the Authority, the Tender Agent, the Credit Facility Provider (if any), the Liquidity Facility Provider (if any), the Remarketing Agent (if any), the Purchaser (if any) and each Rating Agency then rating the Series 2024A Bonds proposed to be changed to the New Mode stating that the Mode will be changed to the Fixed Rate Mode and setting forth the proposed Mode Change Date. Such notice shall be accompanied by an approval in writing of the change to the Fixed Rate Mode by the Credit Facility Provider, if any. Any such change to the Fixed Rate Mode shall be made as follows:

(1) *Conditions Precedent for Change to Fixed Rate Mode.*

(a) *Mode Change Date:* The Mode Change Date shall be:

(i) in the case of a change from the Commercial Paper Mode, a day which is the last Purchase Date for all Interest Periods for such Series 2024A Bonds bearing interest in the Commercial Paper Mode set by the Remarketing Agent;

(ii) an Interest Payment Date;

(iii) in the case of a change from the Term Rate Mode, the Purchase Date for the current Interest Period; and

(iv) subject to Section 212(C) hereof in the case of a change from the Bank Index Mode or from the Bank Fixed Mode.

(v) in case of a change from the R-FLOATs Rate Mode, shall be a R-FLOATs Reset Date.

(b) *Notice to Holders:* Not less than the 15th day next preceding the Mode Change Date, the Tender Agent shall mail, in the name of the Authority, a notice of such proposed change to the Holders of the Series 2024A Bonds proposed to be changed to the Fixed Rate stating that the Mode will be changed to the Fixed Rate Mode, the proposed Mode Change Date and that such Holder is required to tender such Holder's Series 2024A Bonds proposed to be changed to the Fixed Rate for purchase on such proposed Mode Change Date and the interest on such Series 2024A Bonds shall cease to accrue from and after such Mandatory Purchase Date.

(c) *Favorable Opinion of Bond Counsel:* The change to the Fixed Rate Mode shall not occur unless the Authority and the Bond Trustee have received, on the Mode Change Date, a Favorable Opinion of Bond Counsel dated the Mode Change Date and addressed to the Authority and the Bond Trustee.

(d) *Certificate Designating Maturities, Interest Rates, Etc.; Availability of Funds to Pay Discount:* Prior to the conversion to the Fixed Rate Mode, (i) the certificate of the Remarketing Agent described in Section 502(B) shall be provided to the Bond Trustee, the Authority and the Corporation and (ii) if the Series 2024A Bonds are to be remarketed at a discount from par pursuant to Section 502(B), funds (which shall be Eligible Moneys if such Bonds are being converted from an Eligible Moneys Mode supported by a Liquidity Facility) shall be on deposit in the Purchase Fund and available for the payment of the discount portion of the Purchase Price on the Mode Change Date.

(e) *Firm Underwriting or Purchase Contract:* Prior to the conversion to the Fixed Rate Mode, a firm underwriting or purchase contract from a recognized firm of bond underwriters or recognized institutional investors to underwrite or purchase all Series 2024A Bonds proposed to be changed to the Fixed Rate which are to be converted on such Mode Change Date at a price of 100% of the principal amount thereof (subject to the provisions of Section 502(B) hereof), which contract may be subject to conditions to purchase, shall be provided to the Authority and the Corporation.

(2) *Failure to Satisfy Conditions Precedent to Mode Change.* If any of the conditions precedent have not been satisfied on or prior to the Mode Change Date, the Fixed Rate Mode shall not become effective and all Series 2024A Bonds proposed to be changed to the Fixed Rate Mode shall be converted to a Daily Mode; provided (a) that if

the change was from a Term Rate Mode then all of the Bonds in such Mode shall be changed automatically on the Purchase Date to the Weekly Mode bearing interest at the Weekly Rate established in accordance with Section 206(A) hereof and (b) that if the change was from the R-FLOATs Rate Mode, then all such Bonds shall remain in the R-FLOATs Rate Mode and in the R-FLOATs Weekly Period and established in accordance with Section 211. Such a failed conversion shall not constitute an Event of Default hereunder. Notwithstanding the foregoing and subject to Section 210(D) hereof, if the foregoing conditions have not been satisfied by the Mode Change Date and if the change was to be from a Bank Index Mode or a Bank Fixed Mode on a Bank Rate Purchase Date, such Series 2024A Bonds shall not be purchased on the proposed Mode Change Date, such failed conversion shall constitute an Event of Default hereunder subject to all of the remedies set forth in Article VII hereof and shall bear interest at the Default Rate.

(3) *Revocation of Mode Change Notice.* The Corporation may revoke its election pursuant to Section 212(B) to effect a Mode change by giving Written Notice of such revocation to the Authority, the Bond Trustee, the Tender Agent (if any), the Remarketing Agent (if any), the Liquidity Facility Provider (if any), the Credit Facility Provider (if any) and the Purchaser (if any), not less than three Business Days prior to the proposed Mode Change Date with the same effect as a failed conversion as described in Section 212(B)(2) hereof.

(4) *Change from the Fixed Rate Mode.* At the option of the Authority upon direction of the Corporation, a portion of the Series 2024A Bonds in the Fixed Rate Mode may be changed to another Mode as provided in this Section 212(B)(4); provided, however, that if the Series 2024A Bonds are to be changed to the Bank Fixed Mode or the Bank Index Mode, all of such Bonds shall be converted to the Bank Fixed Mode or the Bank Index Mode. A change in Mode from the Fixed Rate Mode shall only be on a date on which the Series 2024A Bonds would otherwise be subject to optional redemption at par pursuant to Section 501(B)(3). Not less than 45 days (or such shorter time as may be agreed to by the Bond Trustee) before the proposed Mode Change Date, the Corporation shall give written notice to the Bond Trustee, the Authority, the Tender Agent, the Credit Facility Provider (if any), the Remarketing Agent (if any) and each Rating Agency then rating the Series 2024A Bonds proposed to be changed to the New Mode stating that the Mode will be changed from the Fixed Rate Mode specifying the New Mode and setting forth the proposed Mode Change Date. Any such change from the Fixed Rate Mode shall be made as follows:

(a) *Conditions Precedent.*

(i) *Mode Change Date:* The Mode Change Date shall be a day on which the Series 2024A Bonds would otherwise be subject to optional redemption at par pursuant to Section 501(B)(3) hereof.

(ii) *Mode Change Notice:* The written notice from the Corporation shall specify (a) the Series 2024A Bonds or portions thereof (if the Series 2024A Bonds are not being changed to a Bank Fixed Mode or a Bank Index Mode) to which such notice relates and its intention to effect a change in the Mode from the Fixed Rate Mode then in effect to

the New Mode specified in such written notice, (b) if the change is to a Term Rate Mode, the length of the initial Interest Period, (c) if the change is to a Bank Index Mode, the length of the Bank Index Rate Period, the Applicable Spread and the Applicable Factor, (d) if the change is to a Bank Fixed Mode, the length of the Bank Fixed Rate Period and the Bank Fixed Rate, and (e) if the change is to the R-FLOATs Rate Mode, the R-FLOATs Period. The Corporation's notice of intent to effect a change in Mode is revocable as described in (x) below.

(iii) *Notice to Holders:* Not less than the 15th day next preceding the Mode Change Date, the Tender Agent shall mail, in the name of the Authority, a notice of such proposed change to the Holders of the Series 2024A Bonds proposed to be changed from the Fixed Rate Mode stating that the Mode will be changed to the New Mode, the proposed Mode Change Date and that if all conditions for such change are satisfied and such notice is not otherwise rescinded by the Corporation pursuant to Section (x) below then such Mode Change Date will be a Mandatory Purchase Date.

(iv) *Determination of Interest Rates:* The New Mode shall commence on the Mode Change Date and the interest rate(s) with respect to the Series 2024A Bonds in the New Mode (together, in the case of a change to the Commercial Paper Mode, with the Interest Period(s) and Purchase Date(s)) shall be determined by the Remarketing Agent in the manner provided in Sections 204, 205, 206, 207, 208, 209 and 211, as applicable, or, in the case of Series 2024A Bonds in the Bank Index Mode or the Bank Fixed Mode, by the Market Agent and the Index Agent, as applicable, as provided in Section 210. In connection with the Mode Change Date, serial bonds and Bond Sinking Fund redemptions may be redesignated as provided in Section 502(B) hereof.

(v) *Market Agent; Remarketing Agent:* If the Series 2024A Bonds are to be converted to the Bank Index Mode or Bank Fixed Mode, the Corporation shall appoint a Market Agent at such times as will allow the determination of the Bank Fixed Rate or Bank Index Rate on the applicable Rate Determination Date to be effective on the Mode Change Date. If the Series 2024A Bonds are being converted to a Mode other than the Bank Fixed Mode or Bank Index Mode, the Corporation shall appoint a Remarketing Agent, pursuant to Section 511 hereof, at such times as are required to remarket such Bonds on the applicable Mode Change Date and as will allow the determination of the interest rate on the applicable Rate Determination Date for the applicable Mode Change Date.

(vi) *Liquidity Facility:* The Corporation shall deliver to the Tender Agent a Liquidity Facility meeting the requirements hereof if the Corporation elects to provide a Liquidity Facility for the New Mode pursuant to Section 7.10 of the Loan Agreement. Since there is no Liquidity Facility in effect while the Bonds are in the Fixed Rate Mode,

the remarketing proceeds available and the funds provided by the Corporation on the Mode Change Date shall be not less than the amount required to purchase all of the Series 2024A Bonds which are converting on such Mode Change Date at the Purchase Price.

(vii) *Rating:* When the Series 2024A Bonds are covered by a Credit Facility that will remain in effect following the Mode Change Date or when the Series 2024A Bonds are not covered by a Credit Facility immediately before or immediately after the Mode Change Date, or when the Series 2024A Bonds are not covered by a Liquidity Facility immediately after the Mode Change Date, the Bond Trustee shall receive from each Rating Agency then rating the Series 2024A Bonds applicable ratings immediately following the Mode Change Date.

(viii) *Favorable Opinion of Bond Counsel:* The change from the Fixed Rate Mode shall not occur unless the Authority, the Bond Trustee, the Tender Agent, the Credit Facility Provider (if any), the Liquidity Facility Provider (if any), the Purchaser (if any) and the Remarketing Agent (if any) have received, on the Mode Change Date, a Favorable Opinion of Bond Counsel dated the Mode Change Date.

(ix) *Failure to Satisfy Conditions Precedent to Mode Change:* If the foregoing conditions have not been satisfied by the Mode Change Date, the New Mode shall not take effect for the Series 2024A Bonds proposed to be converted to a New Mode and such Series 2024A Bonds shall not be purchased on the proposed Mode Change Date. In such event, the Holders shall have the same rights as if no notice of change in Mode had been given. In such event, the Bond Trustee shall promptly give notice thereof to the owners of such Series 2024A Bonds by first class mail, postage prepaid. Such a failed change in Mode shall not constitute an Event of Default hereunder.

(x) *Revocation of Mode Change Notice:* The Corporation may revoke its election pursuant to Section 212(B)(4) to effect a Mode change by giving Written Notice of such revocation to the Authority, the Bond Trustee, the Tender Agent (if any), the Remarketing Agent (if any), the Liquidity Facility Provider (if any), the Credit Facility Provider (if any) and the Purchaser (if any), not less than three Business Days prior to the proposed Mode Change Date with the same effect as a failed conversion as described in Section 212(B)(4)(a)(ix) hereof.

(C) Additional Provisions Regarding Certain Bonds in Bank Rate Periods. Notwithstanding anything to the contrary in this Section 212,

(a) the requirements of Section 212(A)(1) do not apply to a change from a Bank Fixed Mode to a Bank Index Mode or a change from a Bank Index Mode to a Bank Fixed Mode for a Subsequent Bank Rate Period pursuant to Section 210(C) hereof; and

(b) when converting Series 2024A Bonds to a Bank Fixed Mode or a Bank Index Mode, all, not a portion, of the Outstanding Series 2024A Bonds shall be so converted;

(c) when converting Series 2024A Bonds from a Bank Fixed Mode or a Bank Index Mode to one or more other Modes pursuant to Section 212(A) and/or Section 212(B), all, not a portion, of the Series 2024A Bonds in a Bank Fixed Mode or a Bank Index Mode, as applicable, shall be so converted;

(d) when converting the Series 2024A Bonds from a Bank Fixed Mode or a Bank Index Mode, the Mode Change Date shall be a Business Day.

(D) Failure to Meet Conditions on Change from R-FLOATs Rate Mode. In the event that any condition to conversion from an R-FLOATs Rate Mode shall not have been satisfied as provided in Section 212(A) or otherwise under this Bond Indenture, then the Bonds shall bear interest at the R-FLOATS Weekly Rate and such Bonds shall continue to be subject to mandatory tender for purchase on the date which would have been the effective date of the conversion.

(E) Mode Changes Generally. In connection with any Mode change, the Bond Trustee shall identify the Series 2024A Bonds which are the subject thereof. Such identification may be through the designation of such Series 2024A Bonds, through the assignment of separate CUSIP numbers or otherwise as the Remarketing Agent informs the Bond Trustee are appropriate. In addition, upon any change in Mode, new Series 2024A Bonds shall be prepared by the Authority or Bond Counsel and delivered by the Bond Trustee to the holders of the Series 2024A Bonds, in the New Mode which shall identify the Mode then applicable to the Series 2024A Bonds and reflect the terms then applicable to such Series 2024A Bonds, all as provided in Section 215 hereof. Each holder of Series 2024A Bonds by its acceptance thereof shall be deemed to have agreed to surrender its Series 2024A Bonds which are being converted to a New Mode to the Bond Trustee in exchange for a form of Series 2024A Bond reflecting the New Mode. Any Series 2024A Bonds not so delivered shall be deemed to be no longer outstanding hereunder.

Section 213. Defaulted Interest. Defaulted Interest with respect to any Series 2024A Bond shall cease to be payable to the holder of such Series 2024A Bond on the relevant Record Date and shall be payable to the holder in whose name such Series 2024A Bond is registered at the close of business of the Bond Trustee on the Special Record Date for the payment of such Defaulted Interest, which shall be fixed in the following manner. The Corporation shall notify the Bond Trustee in writing of the amount of Defaulted Interest proposed to be paid on each Series 2024A Bond and the date of the proposed payment (which date shall be such as will enable the Bond Trustee to comply with the next sentence hereof), and at the same time the Corporation shall deposit with the Bond Trustee an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Bond Trustee for such deposit prior to the date of the proposed payment, such money when deposited to be held in trust for the benefit of the holders of the Series 2024A Bonds entitled to such Defaulted Interest as provided in this Section. Following receipt of such funds the Bond Trustee shall fix a Special Record Date for the payment of such Defaulted Interest which shall be not more than 15 nor less than 10 days prior to the date of the proposed

payment and not less than 10 days after the receipt by the Bond Trustee of the notice of the proposed payment. The Bond Trustee shall promptly notify the Corporation of such Special Record Date and, in the name and at the expense of the Corporation, shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first-class postage prepaid, to each holder of a Series 2024A Bond at the address of such holder as it appears on the registration books kept by the Bond Trustee not less than 10 days prior to such Special Record Date. Such Defaulted Interest shall be paid to the holders of the Series 2024A Bonds on which such Defaulted Interest is to be paid in whose names such Series 2024A Bonds are registered on such Special Record Date.

Section 214. Execution; Limited Obligation; No Liability of State. The Series 2024A Bonds shall be executed on behalf of the Authority by the manual or facsimile signature of its Chairperson or Vice Chairperson and by the manual or facsimile signature of its Executive Director or Associate Executive Director (or such other officer as may be designated by the Authority) and shall have impressed or printed by facsimile thereon the corporate seal of the Authority. The facsimile signatures of said officers shall have the same force and effect as if such officers had manually signed each of said Bonds. In case any officer the facsimile of whose signature shall appear on the Series 2024A Bonds shall cease to be such officer before the delivery of such Bonds, such facsimile signature shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until delivery.

The Series 2024A Bonds, together with the interest and premium, if any, payable thereon, shall be limited obligations of the Authority payable solely from (a) amounts payable under the Loan Agreement (except for Unassigned Rights), (b) payments or prepayments to be made on the Master Note pledged hereunder, (c) moneys and investments held by the Bond Trustee hereunder and income from the investment thereof (other than in the Rebate Fund and the Purchase Fund), all to the extent herein provided, (d) in certain circumstances, proceeds from certain insurance, condemnation awards and sale, and (e) draws on the Credit Facility, if any, and shall be a valid claim of the respective holders thereof only against the funds established under this Bond Indenture which constitute a part of the “trust estate” and other moneys held by the Bond Trustee for the benefit of the Series 2024A Bonds (including, without limitation, Liquidity Facility Bonds) and the payments due or to become due upon or under the Loan Agreement, (except for Unassigned Rights), and the Master Note, all of which are hereby assigned and pledged hereunder for the equal and ratable payment of the Series 2024A Bonds and shall be used for no other purpose than to pay the principal of, premium, if any, and interest on the Series 2024A Bonds (including, without limitation, Liquidity Facility Bonds), except as may be otherwise expressly authorized in this Bond Indenture. The Series 2024A Bonds and the interest payable thereon and other costs incident thereto shall never constitute a debt, liability or obligation of the Authority, the State or any political subdivision thereof other than the Authority, or a pledge of the faith and credit of the Authority, the State or any political subdivision thereof, but shall be payable solely from the revenues provided therefor. Neither the faith and credit nor the taxing power of the Authority, the State or any political subdivision thereof is pledged to the payment of the principal of or interest on the Series 2024A Bonds. No breach by the Authority of any such pledge, mortgage, obligation or agreement may impose any liability, pecuniary or otherwise, upon the Authority, the State or any political subdivision thereof or any charge upon any of their general credit or against any of their taxing power. The Authority has no taxing power.

Section 215. Authentication. No Series 2024A Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Bond Indenture unless and until a certificate of authentication on such Series 2024A Bond substantially in the form attached hereto as EXHIBIT A shall have been duly executed by the Bond Trustee, and such executed certificate of the Bond Trustee upon any such Series 2024A Bond shall be conclusive evidence that such Series 2024A Bond has been authenticated and delivered under this Bond Indenture. The Bond Trustee’s certificate of authentication on any Series 2024A Bond shall be deemed to have been executed by it if signed by an authorized signatory of the Bond Trustee, but it shall not be necessary that the same signatory sign the certificate of authentication on all of the Series 2024A Bonds issued hereunder.

Section 216. Form of Series 2024A Bonds and Temporary Series 2024A Bonds. The Series 2024A Bonds issued under this Bond Indenture shall be substantially in the form attached hereto as Exhibit A with such appropriate variations, omissions and insertions as are permitted or required by this Bond Indenture or deemed necessary by the Bond Trustee and the Authority; provided, however, that the Series 2024A Bonds may be modified in such manner as is approved by the Authority for the purpose of reflecting the provision of a Credit Facility or a Liquidity Facility in accordance with the terms hereof. Following the conversion of any Series 2024A Bond to a New Mode, the Bond Trustee shall be provided by either the Authority or Bond Counsel with an appropriately revised form of such Series 2024A Bond, if necessary, to reflect the New Mode which may include a reference to the New Mode in the designation of such Series 2024A Bond, the deletion of provisions of the form of the Series 2024A Bond set forth in Exhibit A hereto which shall be of no further force in the New Mode, the addition of a description of the New Mode, the terms upon which the Series 2024A Bond in the New Mode may or is required to be redeemed or tendered for purchase, any additional security which is provided in the New Mode and such other changes which the Bond Counsel determines are necessary or appropriate in the circumstances.

Series 2024A Bonds may be initially issued in temporary form exchangeable for definitive Series 2024A Bonds of the same maturity when ready for delivery. The temporary Series 2024A Bonds shall be of such denomination or denominations as may be determined by the Authority and may contain such reference to any of the provisions of this Bond Indenture as may be appropriate. Every temporary Series 2024A Bond shall be executed by the Authority and be authenticated by the Bond Trustee upon the same conditions and in substantially the same manner as the definitive Series 2024A Bonds. If the Authority issues temporary Series 2024A Bonds it will execute and furnish definitive Series 2024A Bonds without delay and thereupon the temporary Series 2024A Bonds may be surrendered for cancellation in exchange therefor at the Principal Office of the Bond Trustee, and the Bond Trustee shall authenticate and deliver in exchange for such temporary Series 2024A Bonds an equal aggregate principal amount of definitive Series 2024A Bonds of the same maturity of authorized denominations. Until so exchanged, the temporary Series 2024A Bonds shall be entitled to the same benefits under this Bond Indenture as definitive Series 2024A Bonds authenticated and delivered hereunder.

Section 217. Delivery of Series 2024A Bonds. Upon the execution and delivery of this Bond Indenture, the Authority shall execute and deliver to the Bond Trustee and the Bond Trustee shall authenticate the Series 2024A Bonds to be issued in the aggregate principal amount of \$374,895,000 and deliver such Series 2024A Bonds to the respective purchasers as may be directed by the Authority, as hereinafter in this Section 217 provided.

Prior to the delivery by the Bond Trustee of any of the Series 2024A Bonds on the Closing Date there shall be filed with or delivered to the Bond Trustee and the Authority:

(a) a copy, duly certified by an Authorized Officer of the Authority, of the resolutions adopted and approved by the Authority authorizing the execution and delivery of the Loan Agreement, the Tax Exemption Agreement, the Escrow Agreements and this Bond Indenture and the issuance and sale of the Series 2024A Bonds;

(b) a copy, duly certified by an Authorized Officer of the Corporation, of the resolutions adopted and approved by the Corporation authorizing the execution and delivery of the Loan Agreement, the Tax Exemption Agreement, the Escrow Agreements, the Supplement and the Master Note and approving this Bond Indenture and the issuance and sale of the Series 2024A Bonds;

(c) the original executed and authenticated Master Note and an original executed counterpart of this Bond Indenture, the Supplement, the Escrow Agreements, the Tax Exemption Agreement and the Loan Agreement;

(d) a request and authorization to the Bond Trustee on behalf of the Authority and signed by an Authorized Officer of the Authority to authenticate and deliver the Series 2024A Bonds in the aggregate principal amount set forth in the first paragraph of this Section to the respective purchasers therein identified upon payment to the Bond Trustee, but for the account of the Authority, of the net proceeds from the sale of the Series 2024A Bonds;

(e) the Bond Insurance Policy, and

(f) such other closing documents and opinions of counsel the Authority may reasonably specify, which shall be identified to the Bond Trustee as being received by the Bond Trustee.

Section 218. Mutilated, Lost, Stolen or Destroyed Bonds. In the event a temporary or definitive Series 2024A Bond is mutilated, lost, stolen or destroyed, the Authority may execute and the Bond Trustee may authenticate a new Series 2024A Bond of like form, date, maturity and denomination as that mutilated, lost, stolen or destroyed; provided that, in the case of any mutilated Series 2024A Bond, such mutilated Series 2024A Bond shall first be surrendered to the Bond Trustee, and in the case of any lost, stolen or destroyed Series 2024A Bond, there shall be first furnished to the Bond Trustee evidence of such loss, theft or destruction satisfactory to the Authority and the Bond Trustee, together with indemnity satisfactory to them. In the event any such Series 2024A Bond shall have matured, instead of issuing a duplicate Series 2024A Bond, the Authority or the Bond Trustee may pay the same without surrender thereof. The Authority and the Bond Trustee may charge the holder or owner of such Series 2024A Bond with their reasonable fees and expenses in this connection.

Section 219. Transfer and Exchange of Bonds; Persons Treated as Owners. The Authority shall cause the Bond Register to be kept by the Bond Trustee at its Principal Office. The Bond Register may be inspected and copied to the extent and in the circumstances described in Section 606 hereof.

Upon surrender for transfer of any Series 2024A Bond at the Principal Office of the Bond Trustee, the Authority shall execute and the Bond Trustee shall authenticate and deliver in the name of the transferee or transferees a new fully registered Series 2024A Bond of the same maturity and of Authorized Denomination for the aggregate principal amount which the registered owner is entitled to receive. Any Series 2024A Bond or Series 2024A Bonds may be exchanged at said office of the Bond Trustee for a like aggregate principal amount of Series 2024A Bonds of the same maturity of other Authorized Denominations. The execution by the Authority of any Series 2024A Bond shall constitute full and due authorization of such Series 2024A Bond, and the Bond Trustee shall thereby be authorized to authenticate, date and deliver such Series 2024A Bond.

On each date on which the Bond Trustee authenticates and delivers a Series 2024A Bond, it shall complete the information required to be inserted by the form of Series 2024A Bond and shall keep a record of such information.

All Series 2024A Bonds presented for transfer or exchange shall be accompanied by a written instrument or instruments of transfer or authorization for exchange, in form and with guaranty of signature satisfactory to the Bond Trustee, duly executed by the registered owner or by such owner's duly authorized attorney.

No service charge shall be imposed upon the owner for any exchange or transfer of Series 2024A Bonds. The Authority and the Bond Trustee may, however, require payment by the person requesting an exchange or transfer of Series 2024A Bonds of a sum sufficient to cover any tax, fee or other governmental charge that may be imposed in relation thereto, except in the case of the issuance of a Series 2024A Bond or Series 2024A Bonds for the unredeemed portion of a Series 2024A Bond surrendered for redemption.

Except with respect to any optional or mandatory tender of the Series 2024A Bonds while they are registered in a book-entry only system, the Authority, the Bond Trustee and any Paying Agent shall not be required to register the transfer or exchange of any Series 2024A Bond (i) after notice calling such Series 2024A Bond or portion thereof for redemption has been mailed or (ii) during the fifteen day period next preceding the mailing of a notice of redemption or mandatory tender of the Series 2024A Bonds of the same maturity.

New Series 2024A Bonds delivered upon any transfer or exchange shall be valid obligations of the Authority, evidencing the same debt as the Series 2024A Bonds surrendered, shall be secured by this Bond Indenture and shall be entitled to all of the security and benefits hereof to the same extent as the Series 2024A Bond surrendered.

The Authority and the Bond Trustee may treat the registered owner of any Series 2024A Bond as the absolute owner thereof for all purposes, whether or not such Series 2024A Bond shall be overdue, and shall not be bound by any notice to the contrary. All payments of or on account of the principal of and premium, if any, and interest on any such Series 2024A Bond as herein provided shall be made only to or upon the written order of the registered owner thereof or his legal representative, but such registration may be changed as herein provided. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Series 2024A Bond to the extent of the sum or sums so paid.

Any Series 2024A Bond surrendered for the purpose of payment or retirement or for exchange or transfer or for replacement pursuant to Section 218 hereof, shall be cancelled upon surrender thereof to the Bond Trustee or any Paying Agent. Any such Series 2024A Bonds cancelled by any Paying Agent other than the Bond Trustee shall be promptly transmitted by such Paying Agent to the Bond Trustee. Upon request, certification of Series 2024A Bonds cancelled by the Bond Trustee and Series 2024A Bonds cancelled by a Paying Agent other than the Bond Trustee which are transmitted to the Bond Trustee shall be made to the Authority and to the Corporation. Cancelled Series 2024A Bonds may be destroyed by the Bond Trustee in accordance with its retention policy then in effect unless instructions to the contrary are received from the Authority or the Corporation.

At such time as the Bonds are in the Bank Index Mode or the Bank Fixed Mode, the transfer of the Bonds is restricted and the Purchaser shall not transfer the Bonds unless either (i) there is delivered to the Corporation, the Authority, the Bond Trustee and the Purchaser a purchaser letter in the form substantially similar to the form attached hereto as Exhibit B or (ii) the transferee is a "Qualified Institutional Buyer" as such term is defined under Rule 144A of the Securities and Exchange Commission, as promulgated under the Securities Act of 1933, as amended. In addition, if the Corporation is making payments directly to the Purchaser as provided for in Sections 203 and 402 hereof, if any Bonds are sold or transferred, the transferring Bondholder shall notify the Bond Trustee in writing of the name and address of the transferee, the effective date of the transfer, the principal amount of the Bonds transferred and the payment information notated on the Bonds, and the Bond Trustee will, prior to delivery of such Bonds, make a notation on such Series 2024A Bonds of the date to which interest has been paid thereon and of the amount of any prepayments made on account of the principal thereof. The Bond Trustee shall have no duty or obligation to confirm that any such transfer restrictions are complied with and shall be fully protected in relying on the terms of this Section or any purchaser letter delivered to it in accordance herewith if so delivered.

Section 220. Book-Entry Only System.

The following provisions of this Section and Sections 221 and 222 are applicable only if the Series 2024A Bonds are registered to participate in a securities depository system with DTC (the "*DTC System*"), as set forth herein. The Series 2024A Bonds shall be initially issued in the form of a separate single fully registered Series 2024A Bond for each of the maturities of the Series 2024A Bonds. Upon initial issuance, the ownership of each such Series 2024A Bond shall be registered on the Bond Register in the name of Cede & Co., or any successor thereto, as nominee for DTC. The Authority and the Bond Trustee are authorized to execute and deliver such letters to or agreements with DTC as shall be necessary to effectuate the DTC System, including the Blanket Letter of Representations.

With respect to Series 2024A Bonds registered in the Bond Register in the name of Cede & Co., as nominee of DTC, the Authority and the Bond Trustee shall have no responsibility or obligation to any broker-dealer, bank or other financial institution for which DTC holds Series 2024A Bonds from time to time as securities depository (each such broker-dealer, bank or other financial institution being referred to herein as a "Depository Participant") or to any person on behalf of whom such a Depository Participant holds an interest in the Series 2024A Bonds (each such person being herein referred to as an "Indirect Participant"). Without limiting the immediately preceding sentence, the Authority and the Bond Trustee shall have no responsibility

or obligation with respect to (a) the accuracy of the records of DTC, Cede & Co., any Depository Participant or any Indirect Participant with respect to the ownership interest in the Series 2024A Bonds, (b) the delivery to any Depository Participant or any Indirect Participant or any other person, other than a registered owner of a Series 2024A Bond as shown in the Bond Register, of any notice with respect to the Series 2024A Bonds, including any notice of redemption, (c) the payment to any Depository Participant or Indirect Participant or any other person, other than a registered owner of a Series 2024A Bond as shown in the Bond Register, of any amount with respect to principal of, premium, if any, or interest on, the Series 2024A Bonds, (d) any consent given by the Securities Depository as registered owner, or (e) subject to Article V, the selection by the Securities Depository or any Depository Participant or any beneficial owners to receive payment if Series 2024A Bonds are redeemed in part. While in the DTC System, no person other than Cede & Co., or any successor thereto, as nominee for DTC, or the Bond Trustee, as its custodian, shall receive a Series 2024A Bond certificate with respect to any Series 2024A Bond. Upon delivery by DTC to the Bond Trustee of written notice from DTC to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions hereof with respect to the payment of interest by the mailing of checks or drafts to the registered owners of Series 2024A Bonds at the close of business on the Record Date applicable to any interest payment date, the name "Cede & Co." in this Bond Indenture shall refer to such new nominee of DTC.

The Authority has executed the Blanket Letter of Representations. Such Blanket Letter of Representations is for the purpose of effectuating the DTC System only and shall not be deemed to amend, supersede or supplement the terms of this Bond Indenture which are intended to be complete without reference to the Blanket Letter of Representations. In the event of any conflict between the terms of the Blanket Letter of Representations and the terms of this Bond Indenture, the terms of this Bond Indenture shall control. The Securities Depository may exercise the rights of a Bondholder hereunder only in accordance with the terms hereof applicable to the exercise of such rights.

Section 221. Successor Securities Depository; Transfers Outside Book-Entry Only System. In the event that (a) the Authority or the Bond Trustee (with the Authority's consent) determines that DTC is incapable of discharging its responsibilities described herein and in the Blanket Letter of Representations, (b) the Blanket Letter of Representations shall be terminated for any reason or (c) the Corporation or the Authority determines that it is in the best interests of the beneficial owners of the Series 2024A Bonds that they be able to obtain certificated Series 2024A Bonds, the Authority shall (i) appoint a successor Securities Depository, qualified to act as such under Section 17(a) of the Securities and Exchange Act of 1934, as amended, notify DTC and Depository Participants of the appointment of such successor Securities Depository and transfer one or more separate Series 2024A Bond certificates to such successor Securities Depository or (ii) notify DTC of the availability through DTC of Series 2024A Bond certificates and transfer one or more separate Series 2024A Bond certificates to Depository Participants having Series 2024A Bonds credited to their DTC accounts. In such event, the Series 2024A Bonds shall no longer be restricted to being registered on the Bond Register in the name of Cede & Co., as nominee of DTC but may be registered in the name of the successor Security Depository, or its nominee, in whatever name or names registered owners of Series 2024A Bonds transferring or exchanging Series 2024A Bonds shall designate, in accordance with the provisions hereof. The Authority and the Bond Trustee may conclusively rely upon (i) a certificate of DTC as to the identity of the Depository Participants in the DTC System and (ii) a

certificate of such Depository Participants as to the identity of, and the respective principal amounts of Series 2024A Bonds beneficially owned by, the beneficial owners.

Section 222. Payments and Notices to Cede & Co. Notwithstanding any other provision of this Bond Indenture to the contrary, so long as any Series 2024A Bond is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of, premium, if any, and interest on such Series 2024A Bond and all notices with respect to such Series 2024A Bond shall be made and given, respectively, in the manner provided in the Blanket Letter of Representations. The Bond Trustee shall request in each notice sent to Cede & Co. pursuant to the terms of this Bond Indenture that Cede & Co. forward or cause to be forwarded such notice to the Depository Participants, but neither the Bond Trustee nor the Authority shall be liable if Cede & Co. fails to honor such request.

ARTICLE III APPLICATION OF BOND PROCEEDS AND REQUIRED FUND DEPOSITS

Section 301. Deposit of Funds. The Underwriters shall purchase the Series 2024A Bonds on the Closing Date for a purchase price of \$389,940,415.79 (the “Sale Proceeds”) representing the face amount of the Series 2024A Bonds (\$374,895,000.00) plus net original issue premium (\$16,865,984.45) less an underwriting discount (\$1,820,568.66). On the Closing Date, the Authority, for and on behalf of the Corporation, shall cause the Sale Proceeds net of the premium on the Bond Insurance Policy (\$2,627,252.60) which was paid directly to the Bond Insurer by the Underwriters on behalf of the Corporation) to be deposited with the Bond Trustee, and the Bond Trustee agrees to deposit and apply the remaining Sale Proceeds in the amount \$387,313,163.19 as follows:

(a) \$1,570,942.23 of the Sale Proceeds shall be deposited in the Expense Fund established under Section 302 hereof to be disbursed in accordance with such Section;

(b) \$105,013,949.19 of the Sale Proceeds shall be deposited in the Project Fund established under Section 303 hereof to be disbursed in accordance with such Section; and

(c) \$280,728,271.77 of the Sale Proceeds and \$5,526,618.00 of the Corporation’s funds shall be deposited in a trust fund created pursuant to this Section by the Authority and established with the Bond Trustee designated the “*Marshfield Clinic Health System, Inc. Transfer Fund*” (the “*Transfer Fund*”). On the Closing Date, the Bond Trustee shall transfer the funds on deposit in the Transfer Fund as follows:

(i) \$49,537,740.51 shall be transferred on the Closing Date to JPMorgan Chase Bank, N.A., as registered owner of the Series 2012A Bonds, together with \$5,433,156.00 funds of the Corporation, to be used for payment of the outstanding principal amount of (\$54,865,000.08) and accrued interest on the Series 2012A Bonds (\$105,896.43) for the redemption of the Series 2012A Bonds on such date;

(ii) \$45,139,296.27 shall be transferred on the Closing Date to the bond trustee for the Series 2019A Bonds to be used for payment of the outstanding

principal amount of (\$44,755,000.00) and accrued interest on the Series 2019A Bonds (\$384,296.27) for the redemption of the Series 2019A Bonds on such date;

(iii) \$69,124,230.00 shall be transferred on the Closing Date together with \$6,895.00 funds of the Corporation to the Series 2020B-1 Escrow Agent for deposit into the Escrow Fund created under the Series 2020B-1 Escrow Agreement to be invested and used, together with other funds and investments on deposit in such escrow fund, to pay interest on and the redemption price of the Series 2020B-1 Bonds on the August 15, 2024 redemption date as specified in the Series 2020B-1 Escrow Agreement;

(iv) \$75,762,295.08 shall be transferred on the Closing Date to the Series 2022A Escrow Agent for deposit into the escrow fund created under the Series 2022A Escrow Agreement to be invested and used, together with other funds and investments on deposit in such escrow fund, to pay interest on and the redemption price of the Series 2022A Bonds on the August 1, 2024 redemption date as specified in the Series 2022A Escrow Agreement; and

(v) \$41,164,709.91 shall be transferred on the Closing Date to the bond trustee for the Series 2022B Bonds, together with \$86,567.00 of funds of the Corporation, to be used for payment of the outstanding principal amount of (\$41,245,000.00) and accrued interest on the Series 2022B Bonds (\$6,276.91) on such date.

Section 302. Creation of and Disbursements from the Expense Fund.

(a) There is hereby created by this Section by the Authority and established with the Bond Trustee a trust fund designated as the “*Expense Fund - Marshfield Clinic Health System, Inc. - Series 2024A*” (the “*Expense Fund*”). An initial deposit to the Expense Fund shall be made in accordance with Section 301(a) above. Funds on deposit in the Expense Fund shall be disbursed as set forth in the closing memorandum for the Series 2024A Bonds dated the Closing Date and/or upon receipt of a Written Request of the Corporation for the payment of Issuing Expenses or for the reimbursement to the Corporation for Issuing Expenses for which it has paid directly. At such time as the Bond Trustee is furnished with a Written Request of the Corporation stating that all Issuing Expenses to be paid with proceeds of the Series 2024A Bonds have been paid, and in no event later than July 2, 2025, the Bond Trustee shall transfer any funds remaining in the Expense Fund to the Project Fund, unless the Bond Trustee is provided with an Opinion of Bond Counsel to the effect that some other disposition of those amounts will not adversely affect the validity of the Series 2024A Bonds or any exclusion from gross income for federal income tax purposes to which interest on the Bonds would otherwise be entitled, and the Bond Trustee shall close the Expense Fund. The Bond Trustee shall be fully protected in disbursing the amounts set forth in any such Written Request of the Corporation and shall have no duty or obligation to confirm that such requested disbursements are for a permitted purpose.

(b) The Bond Trustee agrees to keep accurate records pertaining to each deposit into, and withdrawal from, the Expense Fund.

Section 303. Creation of and Disbursements from the Project Fund.

(a) A trust fund is hereby created pursuant to this Section by the Authority and established with the Bond Trustee designated as the “*Marshfield Clinic Health System, Inc. - Project Fund - Series 2024A*” (the “*Project Fund*”). An initial deposit to the Project Fund shall be made in accordance with Section 301(b) above. Funds on deposit in the Project Fund shall be invested in accordance with the provisions of Section 406 hereof.

(b) Money in the Project Fund will be used to pay Project Costs or to reimburse the Corporation or a Benefited Affiliate, as applicable, for Project Costs actually paid by it. The Authority authorizes and directs the Bond Trustee to withdraw sufficient funds from the Project Fund to fund each disbursement for which the Bond Trustee has received a completed requisition substantially in the form attached as Exhibit C hereto; provided, however, any reimbursements to the Corporation and/or a Benefited Affiliate on the Closing Date shall be paid by the Bond Trustee pursuant to the written direction of the Corporation pursuant to its execution of the “Closing Memorandum” dated the Closing Date in connection with the issuance of the Series 2024A Bonds. The Bond Trustee shall rely fully on any such requisition delivered pursuant to this Section and shall not be required to make any investigation in connection therewith. Upon the earlier of the receipt by the Bond Trustee of a Completion Certificate or July 2, 2027, amounts on deposit in the Project Fund or deposited in the Project Fund on any date thereafter will be transferred to the Interest Fund to the extent of the amount necessary to make any interest payments on the Series 2024A Bonds occurring within one year of such transfer, then to the Bond Sinking Fund to the extent of the amount required to be deposited therein on the next scheduled Maturity Date or mandatory redemption date if one is scheduled within one year of the date of such transfer, and then to the Redemption Fund, unless the Bond Trustee is provided with a written direction from the Corporation to apply such amounts in another manner and an Opinion of Bond Counsel to the effect that such other disposition of those amounts will not adversely affect the validity of the Series 2024A Bonds or any exclusion from gross income for federal income tax purposes to which interest on the Bonds would otherwise be entitled.

(c) The Bond Trustee agrees to keep accurate records pertaining to each deposit into, and withdrawal from, each of the accounts in the Project Fund. After the Completion Certificate has been received, the Bond Trustee agrees to file an accounting for the Project Fund with the Corporation and, upon the Authority’s request, with the Authority.

ARTICLE IV REVENUES AND FUNDS

Section 401. Source of Payment of Bonds. The Series 2024A Bonds herein authorized and all payments to be made by the Authority thereon and into the various funds established under this Bond Indenture are not general obligations of the Authority but are limited obligations payable solely from (a) payments or prepayments under the Loan Agreement pledged hereunder (other than Unassigned Rights), (b) payments or prepayments upon the Master Note, (c) certain moneys and investments held by the Bond Trustee hereunder, (d) in certain circumstances herein provided, proceeds from insurance and condemnation awards or sales consummated under threat of condemnation and (e) the proceeds of draws on the Credit Facility, if any.

Section 402. Revenue Fund. The Authority shall establish with the Bond Trustee and maintain so long as any of the Series 2024A Bonds are outstanding a separate account to be

known as the “*Revenue Fund - Marshfield Clinic Health System, Inc. - Series 2024A*” (herein called the “*Revenue Fund*”). Except for the payment of the Purchase Price, all payments upon the Master Note pledged hereunder and all payments under the Loan Agreement, as and when received by the Bond Trustee, shall be deposited in the Revenue Fund and shall be held therein until disbursed as herein provided. Pursuant to the assignment and pledge of payments upon the Master Note set forth in the granting clauses contained herein, the Authority will direct the Corporation to make payments under the Loan Agreement and upon the Master Note pledged hereunder directly to the Bond Trustee when and as the same become due and payable by the Corporation under the terms of the Loan Agreement and such Master Note.

All payments on the Eligible Bonds in an Eligible Moneys Mode covered by a Credit Facility shall be made first from draws on the Credit Facility which shall be deposited directly in the LOC Interest Account of the Interest Fund, the LOC Principal Account of the Bond Sinking Fund or the LOC Redemption Account of the Redemption Fund, as the case may be. Principal of, premium, if any, and interest on Non-Eligible Bonds may be paid from moneys other than Eligible Moneys. The Bond Trustee is hereby instructed to draw amounts under the Credit Facility, if any, at such times hereinafter set forth and pursuant to draw requests submitted at such times so as to assure that Eligible Moneys will be available to make when due all payments of principal of and interest on the Eligible Bonds in an Eligible Moneys Mode covered by the Credit Facility. The foregoing notwithstanding, payments on the Master Note to be applied to pay interest on, principal of or the redemption price of Non-Eligible Bonds shall be transferred when received to the Interest Fund, Bond Sinking Fund or Redemption Fund, respectively, provided that no such payments shall be deposited in the LOC Interest Account of the Interest Fund, the LOC Principal Account of the Bond Sinking Fund or the LOC Redemption Account of the Redemption Fund.

Notwithstanding anything in this Bond Indenture to the contrary, the payment of principal, premium, if any, and interest on Bonds in a Bank Rate Period shall be payable by the Corporation to the Purchaser in the manner agreed to in writing by the Corporation and Purchaser and acknowledged by the Bond Trustee, including but not limited to payments made by the Corporation directly to the Purchaser. Unless notified in writing to the contrary by the Purchaser and the Corporation, during a Bank Rate Period and any extension thereof related to the Purchaser’s exercise of its Right to Retain in accordance with Section 210(C) hereof, all payments due from or on behalf of the Corporation attributable to regularly scheduled payments of principal of (including the mandatory redemptions specified in Section 502 hereof) and interest on the Series 2024A Bonds shall be paid directly by the Corporation to the Purchaser without any action on the part of the Bond Trustee. During any Bank Rate Period when the Corporation and the Purchaser have agreed that payments on the Bonds shall be made by the Corporation directly to the Purchaser, (i) the Purchaser shall notify the Bond Trustee in writing of any failure of the Corporation to make any payment of principal of or interest on the Series 2024A Bonds when due, and the Bond Trustee shall not be deemed to have any notice of such failure unless it has received such notice in writing, and (ii) if any Series 2024A Bonds are sold or transferred by the Purchaser, the Purchaser shall notify the Bond Trustee and the Corporation in writing of the name and address of the transferee, the effective date of such transfer, the principal amount of the Series 2024A Bonds so transferred and the payment information notated on the Bonds as hereinafter described, and it will, prior to delivery of such Series 2024A Bonds, make a notation on such Bonds of the date to which interest has been paid thereon and the

amount of any prepayments made on account of the principal thereof. The Bond Trustee shall have no duty or obligation to confirm that any such transfer restrictions are complied with.

Section 403. Interest Fund. Subject to the provisions of the last paragraph of Section 402 hereof, the Authority shall establish with the Bond Trustee and maintain so long as any of the Series 2024A Bonds are outstanding a separate account to be known as the “*Interest Fund - Marshfield Clinic Health System, Inc. - Series 2024A*” (herein called the “*Interest Fund*”). Except for income thereon which is to be transferred to other funds under this Bond Indenture or to the Rebate Fund, and except as provided in Section 707, moneys on deposit in the Interest Fund may be used only for the purpose of paying the interest on the Series 2024A Bonds as the same becomes due and payable (including accrued interest on any Series 2024A Bonds purchased or redeemed prior to maturity pursuant to this Bond Indenture) or for the reimbursement of a Credit Facility Provider for a draw on its Credit Facility for the payment of interest on the Bonds. When a Credit Facility is in effect for the Series 2024A Bonds, the Bond Trustee shall also establish and maintain a separate and segregated account in the Interest Fund designated the “*LOC Interest Account - Marshfield Clinic Health System, Inc. - Series 2024A*” (the “*LOC Interest Account*”).

With respect only to Series 2024A Bonds in an Eligible Moneys Mode covered by a Credit Facility, the Bond Trustee shall take such actions as are necessary to receive funds under the Credit Facility on each Interest Payment Date in an amount equal to the amount of interest due and payable on the Eligible Bonds covered by the Credit Facility on such Interest Payment Date. All proceeds of such interest drawings drawn under the Credit Facility received in connection with the scheduled payment of interest on such Series 2024A Bonds or the acceleration of such Series 2024A Bonds prior to maturity shall be deposited in the LOC Interest Account and shall be held by the Bond Trustee as agent and bailee for the sole benefit and security of the owners of such Eligible Bonds and until applied as herein provided.

On each Interest Payment Date, the Bond Trustee shall deposit in the Interest Fund from the Revenue Fund moneys in an amount which, together with the amounts already on deposit therein and available to make such payment of interest payable on such date, including proceeds of a draw on the Credit Facility deposited in the LOC Interest Account as set forth above, is not less than the interest becoming due on the Series 2024A Bonds on such date.

With respect to Series 2024A Bonds in an Eligible Moneys Mode covered by a Credit Facility, payments of interest on the Eligible Bonds covered by the Credit Facility (other than interest payable on Series 2024A Bonds to be paid out of the Redemption Fund as described in Section 405 hereof) shall be made, to the extent available, from Eligible Moneys on deposit in the LOC Interest Account of the Interest Fund. Interest on Non-Eligible Bonds shall be paid from amounts deposited in the Interest Fund (other than in the LOC Interest Account thereof) which represent payments by the Corporation on the Master Note.

With respect to Series 2024A Bonds in any Mode other than an Eligible Moneys Mode that is covered by a Credit Facility payments of interest on the Series 2024A Bonds (other than interest payable on Series 2024A Bonds to be paid out of the Redemption Fund as described in Section 405 hereof) shall be made, to the extent available, from moneys on deposit in the Interest Fund which represent payments by the Corporation on the Master Note.

On or before the Business Day next preceding each Interest Payment Date for a Series 2024A Bond bearing interest during the Commercial Paper Mode, Indexed Mode, Daily Mode, Weekly Mode, Bank Fixed Mode, Bank Index Mode, Term Rate Mode and R-FLOATs Rate Mode, the Bond Trustee shall notify the Corporation of an amount due pursuant to Section 5.2(a) of the Loan Agreement which amount shall be not less than the amount of interest coming due on such Series 2024A Bond on such Interest Payment Date. At the time of such notice, if the interest rate for all Interest Periods in the Interest Payment Period ending on such Interest Payment Date has not yet been determined, the Bond Trustee shall use an assumed interest rate of the Maximum Rate for Series 2024A Bonds bearing interest in such a Mode for the number of days during such period that such interest rate is not yet available.

Subject to the provisions of the last paragraph of Section 402 hereof, if sufficient funds to make the transfers described in this Section are not available in the Interest Fund on the Interest Payment Date, as hereinabove provided, the Bond Trustee will give Immediate Notice thereof to the Corporation and the Purchaser (if any), promptly confirmed in writing.

In connection with any partial redemption or defeasance prior to maturity of the Series 2024A Bonds, the Bond Trustee may, at the written request of the Corporation, use any amounts on deposit in the Interest Fund in excess of the amount needed to pay the interest on the Series 2024A Bonds remaining outstanding on the first Interest Payment Date occurring on or after the date of such redemption or defeasance to pay or provide for the payment of the principal of and interest on the Series 2024A Bonds to be redeemed or defeased.

Section 404. Bond Sinking Fund. Subject to the provisions of the last paragraph of Section 402 hereof, the Authority shall establish with the Bond Trustee and maintain so long as any of the Series 2024A Bonds are outstanding a separate account to be known as the “*Bond Sinking Fund - Marshfield Clinic Health System, Inc. - Series 2024A*” (herein called the “*Bond Sinking Fund*”). Except for income thereon which is to be transferred to other funds under this Bond Indenture in accordance with Section 408 or to the Rebate Fund, and except as provided in Section 707, moneys on deposit in the Bond Sinking Fund may be used only for the purpose of paying the principal of the Series 2024A Bonds as the same becomes due and payable or for the reimbursement of a Credit Facility Provider for a draw on its Credit Facility for the payment of principal of the Series 2024A Bonds. When a Credit Facility is in effect for the Series 2024A Bonds, the Bond Trustee shall also establish a separate account within the Bond Sinking Fund to be known as the “*LOC Principal Account - Marshfield Clinic Health System, Inc., Inc. - Series 2024A*” (the “*LOC Principal Account*”).

With respect only to Series 2024A Bonds in any Eligible Moneys Mode covered by a Credit Facility, the Bond Trustee shall take such actions as are necessary to receive funds under the Credit Facility on each February 15 in an amount equal to the amount of principal due and payable on such dates on the Eligible Bonds covered by the Credit Facility. All proceeds of drafts drawn under the Credit Facility to pay the principal of such Series 2024A Bonds shall be deposited in the LOC Principal Account and shall be held by the Bond Trustee as agent and bailee for the sole benefit and security of the owners of such Eligible Bonds until applied as provided herein.

On each February 15 specified in the immediately preceding paragraph, after making the deposit required by Section 403 hereof, the Bond Trustee shall deposit in the Bond Sinking Fund

from the Revenue Fund moneys in an amount which, together with any moneys already on deposit in the Bond Sinking Fund and available to make such payment of principal payable on such date, including proceeds of a draw on the Credit Facility deposited in the LOC Principal Account as set forth above, is not less than the principal becoming due on the Series 2024A Bonds on such dates.

Subject to the provisions of the last paragraph of Section 402 hereof, if sufficient funds to make the transfers described in this Section are not available in the Bond Sinking Fund on any date that principal is due and payable on the Series 2024A Bonds, as hereinabove provided, the Bond Trustee will give Immediate Notice thereof to the Corporation and the Purchaser (if any), promptly confirmed in writing.

With respect to Series 2024A Bonds in any Eligible Moneys Mode covered by a Credit Facility, payments of principal on the Eligible Bonds that are covered by the Credit Facility shall be made, to the extent available, from Eligible Moneys on deposit in the LOC Principal Account. The principal of Non-Eligible Bonds shall be paid from amounts deposited in the Bond Sinking Fund (other than in the LOC Principal Account) which represent payments by the Corporation on the Master Note.

With respect to Series 2024A Bonds in any Mode other than an Eligible Moneys Mode covered by a Credit Facility, moneys on deposit in the Bond Sinking Fund, other than income earned thereon which is to be transferred to other funds created hereunder or to the Rebate Fund and except as otherwise provided by Section 707 hereof, shall be applied by the Bond Trustee to pay principal on the Series 2024A Bonds in such Modes as it becomes due and to redeem the Series 2024A Bonds in such Modes in accordance with the mandatory Bond Sinking Fund redemption schedule provided for in Section 502 hereof.

In connection with any partial redemption or defeasance prior to maturity of the Series 2024A Bonds, the Bond Trustee may, at the written request of the Corporation, use any amounts on deposit in the Bond Sinking Fund in excess of the amount needed to pay principal on the Series 2024A Bonds remaining outstanding on the first principal or mandatory sinking fund payment date occurring on or after the date of such redemption or defeasance to pay or provide for the payment the principal of and interest on the Series 2024A Bonds to be redeemed or defeased.

Section 405. Redemption Fund. The Authority shall establish with the Bond Trustee and maintain so long as any of the Series 2024A Bonds are outstanding a separate account to be known as the “*Redemption Fund - Marshfield Clinic Health System, Inc. - Series 2024A*” (herein called the “*Redemption Fund*”). When a Credit Facility is in effect for the Series 2024A Bonds, the Bond Trustee shall also establish a separate account within the Redemption Fund to be known as the “*LOC Redemption Account - Marshfield Clinic Health System, Inc. - Series 2024A*” (the “*LOC Redemption Account*”). In the event of (i) prepayment by or on behalf of the Corporation or any other Member of amounts payable under the Loan Agreement or on the Master Note, including prepayment with condemnation or insurance proceeds or proceeds of a sale consummated under threat of condemnation, or (ii) deposit with the Bond Trustee by the Corporation, any other Member or the Authority of moneys from any other source for redeeming Series 2024A Bonds or the purchase of Series 2024A Bonds for cancellation, except as otherwise provided in this Bond Indenture, such moneys shall be deposited in the Redemption Fund.

Moneys on deposit in the Redemption Fund shall be used first, to make up any deficiencies existing in the Interest Fund and the Bond Sinking Fund (in the order listed) and second, for the redemption or purchase of Series 2024A Bonds in accordance with the provisions of Article V hereof; provided, however, that with respect to Series 2024A Bonds in any Eligible Moneys Mode that are covered by a Credit Facility, the Bond Trustee shall redeem the Series 2024A Bonds to be redeemed in accordance with the following paragraph and any funds remaining on deposit in the Redemption Fund (exclusive of the LOC Redemption Account) on any date on which Series 2024A Bonds are optionally redeemed, after payment in full of the redemption price of all Series 2024A Bonds redeemed on such date from amounts on deposit in the LOC Redemption Account of the Redemption Fund, shall be transferred by the Bond Trustee to the Credit Facility Provider, but not in excess of the amount necessary to reimburse the Credit Facility Provider for the draw made on the Credit Facility on such date to pay such redemption price.

The Bond Trustee shall with respect only to Series 2024A Bonds in any Eligible Moneys Mode that are covered by a Credit Facility that are to be optionally redeemed in accordance with Section 501 hereof take such actions as are necessary to receive funds under the Credit Facility on each such day (i) an amount which is equal to the principal amount of the Eligible Bonds that are covered by the Credit Facility to be so redeemed and (ii) an amount equal to the amount of interest due and owing on the Eligible Bonds that are covered by the Credit Facility to be so redeemed to the Redemption Date. All proceeds of drawings under the Credit Facility to make timely redemption or maturity payments (including payments of interest accruing on such Series 2024A Bonds to the redemption date) shall be deposited in the LOC Redemption Account and shall be held by the Bond Trustee as agent and bailee for the sole benefit and security of the owners of such Eligible Bonds until applied as provided herein. With respect to Series 2024A Bonds in any Eligible Moneys Mode covered by a Credit Facility, payments of the redemption price of Eligible Bonds that are covered by the Credit Facility to be redeemed pursuant to Section 501 hereof (including interest accrued on such Series 2024A Bonds to the redemption date) shall be made, to the extent available, from Eligible Moneys on deposit in the LOC Redemption Account. The redemption price of Series 2024A Bonds in any Mode other than an Eligible Moneys Mode covered by a Credit Facility and Non-Eligible Bonds (including interest accrued on such Series 2024A Bonds to the Redemption Date) shall be paid from amounts deposited in the Redemption Fund (other than the LOC Redemption Account) which represent prepayments by the Corporation on the Master Note.

Section 406. Investment of Funds. (a) Upon a Written Request of the Corporation filed with the Bond Trustee, moneys in the Revenue Fund, the Interest Fund, the Bond Sinking Fund, the Redemption Fund, the Expense Fund and the Project Fund shall remain invested, to the extent possible, at all times until the moneys therein are required to be used and shall be invested in Qualified Investments maturing not later than the date needed under the terms of this Bond Indenture; provided, however, that moneys in the Redemption Fund, LOC Interest Account and LOC Principal Account may only be invested in U.S. Government Obligations maturing within the lesser of 30 days or the period of time as such moneys shall be needed. The Bond Trustee may conclusively rely upon a Written Request of the Corporation as to both the suitability and legality of the directed investments, and such Written Request shall be deemed to be a certification that such directed investments constitute Qualified Investments. If the Corporation fails to file such a Written Request with the Bond Trustee, the Bond Trustee shall hold the amounts in the accounts hereunder uninvested in cash, with no liability for interest and shall not

be liable or responsible for keeping the moneys held by it hereunder fully invested in Qualified Investments. The Bond Trustee may make any and all such investments through its own investment department or that of its affiliates or subsidiaries, and may charge its ordinary and customary fees for such trades, including cash sweep account fees. Such investments shall be made so as to mature on or prior to the date or dates that moneys therefrom are anticipated to be required. The Bond Trustee may trade with itself in the purchase and sale of Qualified Investments and may invest moneys in its own certificates of deposit (subject to the requirements of the Tax Agreement pertaining to investments of proceeds of the Bonds in certificates of deposit) or time deposits. The Bond Trustee shall not be liable or responsible for any loss resulting from any such investments made in accordance with any Written Request provided to it by the Corporation

The Bond Trustee may elect, but shall not be obligated, to credit the funds and accounts held by it with the moneys representing income or principal payments due on, or sales proceed due in respect of, Qualified Investments in such funds and accounts, or to credit to Qualified Investments intended to be purchased with such moneys, in each case before actually receiving the requisite moneys from the payment source, or to otherwise advance funds for account transactions. By its execution of the Loan Agreement, the Corporation acknowledges that the legal obligation to pay the purchase price of Qualified Investments arises immediately at the time of the purchase. Notwithstanding anything else in this Bond Indenture, (i) any such crediting of funds or assets shall be provisional in nature, and the Bond Trustee shall be authorized to reverse any such transactions or advances of funds in the event that it does not receive good funds with respect thereto, and (ii) nothing in this Bond Indenture shall constitute a waiver of any of the Bond Trustee's rights as a securities intermediary under Uniform Commercial Code §9-206.

(b) All income derived from investments of moneys on deposit in the Expense Fund shall be retained in the Expense Fund until disbursed or transferred in accordance with the provisions of Section 302(a) above and subsection (d) below. All income derived from investments of moneys on deposit in the Project Fund shall be retained in the Project Fund until disbursed or transferred in accordance with the provisions of Section 303(b) above and Subsection (d) below.

(c) Moneys in the Purchase Fund shall be held and invested as set forth in Section 510(A) hereof.

(d) All income in excess of the requirements of the Funds specified in subsections (a) and (b) of this Section derived from the investment of moneys on deposit in any such funds shall be deposited in the following funds, in the order listed:

(i) the Interest Fund to the extent of the amount which the Bond Trustee estimates will be required to be deposited therein within 13 months of the date of deposit to pay interest on the Series 2024A Bonds;

(ii) the Bond Sinking Fund to the extent of the amount required to be deposited therein on the next scheduled Maturity Date or mandatory redemption date(s) if one or more is scheduled within 13 months of the date of deposit; and

(iii) the balance, if any, in the Redemption Fund.

Notwithstanding the foregoing, moneys held by the Bond Trustee resulting from a payment on the Bond Insurance Policy shall be held uninvested unless otherwise directed in writing by the Bond Insurer.

(e) Although the Authority and the Corporation each recognizes that it may obtain a broker confirmation or written statement containing comparable information at no additional cost, the Authority and the Corporation hereby agree that confirmations of Qualified Investments are not required to be issued by the Bond Trustee for each month in which a monthly statement is rendered. No statement need be rendered for any fund or account if no activity occurred in such fund or account during such month.

Section 407. Trust Funds. All moneys received by the Bond Trustee under the provisions of this Bond Indenture shall, except as provided in Section 408 hereof, be trust funds under the terms hereof for the benefit of all Series 2024A Bonds outstanding hereunder (except as provided in Section 510 hereof and as otherwise provided herein) and shall not be subject to lien or attachment of any creditor of the Authority, the Corporation, any Benefited Affiliate or any other Member. Such moneys shall be held in trust and applied in accordance with the provisions of this Bond Indenture.

Section 408. Excluded Funds: Transfers to Rebate Fund. The foregoing provisions of this Article IV notwithstanding, (a) the Rebate Fund shall not be considered a part of the "trust estate" created by this Bond Indenture and (b) the Bond Trustee shall be permitted to transfer moneys on deposit in any of the trust funds established under this Article IV to the Rebate Fund in accordance with the provisions of the Tax Exemption Agreement.

Section 409. Application of Moneys to Pay Bonds. The foregoing provisions of this Article IV notwithstanding (other than the provisions of the last paragraph of Section 402 hereof), the Bond Trustee will pay when due the principal of and interest on the Series 2024A Bonds from the following sources, in the order listed:

(i) with respect only to Eligible Bonds in any Eligible Moneys Mode covered by a Credit Facility, Eligible Moneys drawn under the Credit Facility if the Credit Facility is a direct draw letter of credit;

(ii) with respect only to Eligible Bonds in any Eligible Moneys Mode covered by a Credit Facility, any other Eligible Moneys; and

(iii) with respect to all Series 2024A Bonds, other moneys paid to the Bond Trustee by the Corporation, any Benefited Affiliate or any other Member of the Obligated Group.

The Bond Trustee shall maintain a record of the total amount from time to time on deposit in all accounts of each of the funds which constitute deposits therein from moneys of the Corporation, any Benefited Affiliate or any other Member of the Obligated Group and the date of each such deposit; any such amount being hereinafter sometimes referred to as the "Obligated Group Deposit" in the respective funds. Non-Eligible Bonds shall be paid first from Obligated Group Deposits and shall not be paid from a Credit Facility.

In no event shall any moneys other than Eligible Moneys be used with respect to Series 2024A Bonds in any Eligible Moneys Mode covered by a Credit Facility to pay the principal of or interest on the Series 2024A Bonds if Eligible Moneys are available for such payment or can be drawn under the Credit Facility and applied to make such payment. If any Credit Facility or Substitute Credit Facility provided pursuant to Section 7.13 of the Loan Agreement is not a direct draw letter of credit, this Bond Indenture shall be amended, pursuant to the provisions of Section 901(i) hereof, so as to assure that such Eligible Moneys will be available if timely payments are made in accordance with the Master Note.

Section 410. Draws Under the Credit Facility: Demand for Payment from Corporation.

With regard to Series 2024A Bonds in any Eligible Moneys Mode covered by a Credit Facility, the Bond Trustee hereby agrees to take such actions as are necessary to draw moneys under the Credit Facility in accordance with the terms thereof and the amounts available thereunder to make timely payments of: (a) principal on such Series 2024A Bonds by depositing in the LOC Principal Account in the Bond Sinking Fund the moneys required by Section 404 hereof; (b) interest on such Series 2024A Bonds by depositing in the LOC Interest Account in the Interest Fund the moneys required by Section 403 hereof; and (c) the Redemption Price (whether regularly scheduled, by acceleration or otherwise) of such Series 2024A Bonds (including interest accruing on such Series 2024A Bonds to the date fixed for redemption) to be redeemed other than at maturity, by depositing in the LOC Redemption Account in the Redemption Fund the moneys required by Section 405 hereof. Notwithstanding any provision to the contrary, the Bond Trustee shall not draw any moneys under the Credit Facility to make timely payments on any Series 2024A Bonds that are Non-Eligible Bonds.

Except for redemptions pursuant to Section 502 hereof, the Bond Trustee hereby agrees that it will not under any circumstance request that the Credit Facility Provider, if any, reduce the amount of the Credit Facility except after having received the prior written approval of the Corporation and the Authority to any such request for reduction.

If on any Interest Payment Date, Maturity Date, Redemption Date or any other date that principal and interest are due and payable on the Bonds (other than tenders) there are insufficient funds available in the Interest Fund, the Bond Sinking Fund or the Redemption Fund to make such payments following a default, repudiation or wrongful dishonor by the Credit Facility Provider, the Bond Trustee shall provide Immediate Notice to the Corporation of the amount of any such insufficiency and demand payment thereof by the Corporation in accordance with Section 5.2(c) of the Loan Agreement.

**ARTICLE V
REDEMPTION AND TENDER OF BONDS**

Section 501. Redemption Dates and Prices.

(A) Extraordinary Optional Redemption and Optional Redemption.

(1) *Extraordinary Optional Redemption.* The Series 2024A Bonds are callable for redemption prior to maturity at a price equal to 100% of the principal amount of the Series 2024A Bonds being redeemed plus the full amount of the unpaid interest which has accrued on the Series 2024A Bonds and will accrue to the date the Series

2024A Bonds are redeemed in whole or in part on any Business Day in the event of damage to or destruction of the Facilities (as that term is defined in the Master Indenture) of any Member of the Obligated Group or any part thereof as a result of fire or other casualty, the Net Proceeds of which are estimated to exceed 10% of the Book Value of the Property, Plant and Equipment (all as defined in the Master Indenture) of the Obligated Group or any prospective or pending condemnation proceedings with respect to the Facilities of any Member of the Obligated Group or any part thereof.

(2) *Optional Redemption.* The Series 2024A Bonds are callable for redemption prior to maturity in the event the Corporation shall exercise its option to prepay amounts under the Loan Agreement or on the Master Note in an amount sufficient to redeem all or a portion of the Series 2024A Bonds then outstanding.

If called for extraordinary optional redemption under Section 501(A)(1) above, such Series 2024A Bonds shall be subject to redemption by the Authority at the written direction of the Corporation at any time, in whole or in part (in any Authorized Denomination), and if in part by maturities or portions thereof designated by the Corporation or, if not so designated, in inverse order of maturity (less than all of a maturity to be selected randomly by lot using such method as may be designated by the Bond Trustee) at a price equal to the principal amount being redeemed, plus accrued interest to the Redemption Date, with such premium as is provided under Subsection (B) below. If the Series 2024A Bonds called for extraordinary optional redemption under Section 501(A)(1) above are in an Eligible Moneys Mode covered by a Credit Facility, the Bond Trustee shall (a) notify the Credit Facility Provider (if any) by Immediate Notice of such redemption simultaneously with the notice given by the Bond Trustee to the Bondholders, (b) take such actions as are necessary to receive under the Credit Facility (if any) on each day such Series 2024A Bonds are to be optionally redeemed sufficient moneys to redeem the Eligible Bonds that are covered by the Credit Facility so called for redemption on such Redemption Date, including principal and interest, which moneys shall be deposited in the LOC Redemption Account, (c) to the extent such amounts have not been deposited directly with the Credit Facility Provider (if any), transfer to the Credit Facility Provider from the Redemption Fund (other than the LOC Redemption Account maintained therein) on the Redemption Date the net proceeds of insurance, condemnation or sale in an amount equal to the principal amount of such Eligible Bonds to be redeemed as repayment to the Credit Facility Provider of amounts drawn by the Bond Trustee under the Credit Facility for said redemption, (d) transfer to Bondholders an amount equal to the redemption price of any Non-Eligible Bonds to be redeemed on such date and (e) receive written confirmation from the Credit Facility Provider (if any) of the receipt by it of such transfer.

If called for optional redemption under Section 501(A)(2) above, such Series 2024A Bonds shall be subject to redemption by the Authority at the written direction of the Corporation at such times as are specified in Section 501(B) below, in whole or in part (in any Authorized Denomination), and if in part by maturities and portions of the Series 2024A Bonds designated by the Corporation or, if not so designated, in inverse order of maturity (less than all of a single maturity to be selected randomly by lot using such method as may be designated by the Bond Trustee), at a price equal to the principal amount thereof plus accrued interest to the Redemption Date and without premium, unless specified in Section 501(B) below. Before calling Series 2024A Bonds in any Eligible Moneys Mode covered by a Credit Facility for optional redemption under Section 501(A)(2) above, (a) the Bond Trustee shall obtain the consent of the Credit

Facility Provider (if any) if the Series 2024A Bonds are to be so redeemed with moneys drawn under the Credit Facility (if any), or (b) moneys shall be deposited with the Bond Trustee to immediately reimburse the Credit Facility Provider (if any) for a draw on the Credit Facility, or (c) Eligible Moneys shall be on deposit in the Redemption Fund if the Eligible Bonds that are covered by a Credit Facility are not to be redeemed with moneys drawn under the Credit Facility (if any). If the Credit Facility Provider gives its consent and Series 2024A Bonds are to be so redeemed with moneys drawn under the Credit Facility (if any), the Bond Trustee shall take such actions as are necessary to (i) draw on each day Bonds are to be optionally redeemed, sufficient amounts under the Credit Facility to pay principal of and interest on such Eligible Bonds to be so redeemed, which moneys shall be deposited in the LOC Redemption Account and (ii) to the extent such amounts have not been deposited directly with the Credit Facility Provider (if any), transfer to the Credit Facility Provider on the Redemption Date amounts on deposit in the Redemption Fund (other than the LOC Redemption Account maintained therein), but not in excess of the amount equal to the principal amount of Eligible Bonds that are covered by the Credit Facility to be so redeemed together with the interest accrued on such Bonds to be redeemed to the Redemption Date, as repayment to the Credit Facility Provider of amounts drawn by the Bond Trustee under the Credit Facility for such redemption.

Notwithstanding the foregoing, Liquidity Facility Bonds (except for any Series 2024A Bonds owned or held on behalf of the Corporation or any Affiliate of the Corporation as Liquidity Facility Provider) shall be redeemed (including without limitation any redemption pursuant to Section 502 hereof) prior to any other Series 2024A Bonds.

(B) Terms of Redemption.

(1) *Optional Redemption of Bonds in the Commercial Paper Mode.* Series 2024A Bonds in the Commercial Paper Mode are not subject to optional redemption prior to their respective Purchase Dates. Series 2024A Bonds in the Commercial Paper Mode that are covered by a Credit Facility are subject to redemption prior to the Maturity Date, by the Authority at the written direction of the Corporation, in whole or in part on their respective Purchase Dates (and in any Authorized Denomination) at a Redemption Price equal to the principal amount of such Series 2024A Bonds called for redemption, without premium, together with accrued interest, if any, to the redemption date from Eligible Moneys.

(2) *Optional Redemption of Bonds in the Daily Mode, the Weekly Mode or the Indexed Mode.* Subject to Section 501(A) hereof, Series 2024A Bonds in the Daily Mode, the Weekly Mode or the Indexed Mode are subject to redemption prior to their Maturity Date, by the Authority at the written direction of the Corporation, in whole or in part at any time (and in any Authorized Denomination) at a Redemption Price equal to 100% of the principal amount of Series 2024A Bonds called for redemption, without premium, together with accrued interest, if any, from the end of the preceding Interest Payment Date to the redemption date. If such Series 2024A Bonds are Eligible Bonds in the Daily Mode or the Weekly Mode and are covered by a Credit Facility, the Redemption Price shall be paid from Eligible Moneys.

(3) *Optional Redemption of Bonds in the Term Rate Mode or the Fixed Rate Mode.*

(a) *Initial Fixed Rate Mode.* During the initial Fixed Rate Period, the Series 2024A Bonds are subject to redemption prior to the Maturity Date by the Authority at the written direction of the Corporation, in whole or in part (and if in part, in an Authorized Denomination) on any day on or after February 15, 2034, at the redemption price equal to 100% of the principal amount of Bonds called for redemption plus accrued interest to the redemption date.

(b) Series 2024A Bonds in a Term Rate Mode are subject to redemption prior to the Maturity Date by the Authority at the written direction of the Corporation, in whole or in part on their Purchase Date (and in any Authorized Denomination) at a Redemption Price equal to the principal amount of Series 2024A Bonds called for redemption, without premium, together with accrued interest, if any, to the redemption date.

(c) In addition to the redemption provision described in (a) and (b) above, the Series 2024A Bonds in a Term Rate Mode or a Fixed Rate Mode are subject to redemption by the Authority at the written direction of the Corporation (i) in whole on any date or in part on any Interest Payment Date (and if in part, in such order of maturity as the Corporation shall specify and within maturity by lot using such other method the Bond Trustee determines to be fair and reasonable and in Authorized Denominations) when such Series 2024A Bonds are in a Term Rate Mode and (ii) in whole or in part at any time (and if in part, in such order of maturity as the Corporation shall specify and within maturity by lot using such other method the Bond Trustee determines to be fair and reasonable and in Authorized Denominations) when such Series 2024A Bonds are in the Fixed Rate Mode, at the Redemption Prices set forth below, together with accrued interest, if any, to the Redemption Date:

<u>LENGTH OF INTEREST PERIOD</u>	<u>COMMENCEMENT OF REDEMPTION PERIOD</u>	<u>REDEMPTION PRICE</u>
Greater than or equal to 15 years	Tenth anniversary of the commencement of Interest Period	100% or such alternate redemption price up to a maximum of 101% ("Alternate Redemption Price"), provided that a Favorable Opinion of Bond Counsel is delivered with respect to the establishment of such Alternate Redemption Price

<u>LENGTH OF INTEREST PERIOD</u>	<u>COMMENCEMENT OF REDEMPTION PERIOD</u>	<u>REDEMPTION PRICE</u>
Less than 15 years and greater than or equal to 10 years	Seventh anniversary of the commencement of Interest Period	100% or such alternate redemption price up to a maximum of 101% ("Alternate Redemption Price"), provided that a Favorable Opinion of Bond Counsel is delivered with respect to the establishment of such Alternate Redemption Price
Less than 10 years and greater than or equal to 5 years	Third anniversary of the commencement of Interest Period	100% or such alternate redemption price up to a maximum of 101% ("Alternate Redemption Price"), provided that a Favorable Opinion of Bond Counsel is delivered with respect to the establishment of such Alternate Redemption Price
Less than 5 years	Series 2024A Bonds not subject to optional redemption pursuant to this subparagraph (b)	Not Applicable

The Authority, with the written consent of the Corporation, in connection with a conversion to a Term Rate Mode or Fixed Rate Mode, may waive or otherwise alter its rights to direct the redemption of the Series 2024A Bonds at any time without premium; provided that notice describing the waiver or alteration shall be submitted to the Paying Agent (if any), the Bond Trustee and the Remarketing Agent (if any), together with a Favorable Opinion of Bond Counsel, addressed to them.

Series 2024A Bonds in a Term Rate Mode or a Fixed Rate Mode are also subject to redemption prior to their maturity, as a whole or in part, at the direction of the Corporation on the earliest practicable date in the event that (i) the Governing Body of the Corporation determines in good faith that continued operation of the Bond Financed Property (or portions thereof) is not financially feasible or is otherwise disadvantageous to the Corporation or a Benefited Affiliate; (ii) as a result thereof, the Corporation or a Benefited Affiliate sells, leases or otherwise disposes of all or a portion of the Bond Financed Property to a person or entity unrelated to the Corporation or a Benefited Affiliate; and (iii) there is delivered to the Authority and the Bond Trustee a written statement of Bond Counsel to the effect that, unless the Series 2024A Bonds in a Term Rate Mode or a Fixed Rate Mode are redeemed or retired in the amount specified either prior to or concurrently with such sale, lease or other disposition, or on a subsequent date prior to the first date on which the Series 2024A Bonds in a Term Rate Mode or a Fixed Rate Mode are subject to redemption, at the option of the Authority at the direction of the Corporation, such Bond Counsel will be unable, absent payment by the Corporation or the Authority to the Internal Revenue Service, to render an unqualified opinion that such sale, lease or other disposition of all or a portion of the Bond Financed Property will not

adversely affect the validity of any Series 2024A Bonds or any exemption from federal income taxation to which the interest on such Series 2024A Bonds would otherwise be entitled. Any such redemption shall be at a redemption price equal to 100% of the principal amount thereof (plus accrued interest to the redemption date).

(4) *Optional Redemption of Bonds in the R-FLOATs Rate Mode.* Series 2024A Bonds in the R-FLOATs Rate Mode are subject to redemption prior to their Maturity Date, by the Authority at the direction of the Corporation, in whole or in part (and in any Authorized Denomination) at a redemption price equal to 100% of the principal amount called for redemption, without premium, together with accrued interest, if any, from the end of the preceding Interest Payment Date to the redemption date on the following dates:

(a) Bonds in an R-FLOATs Daily Period, an R-FLOATs Weekly Period or an R-FLOATs Monthly Period are subject to optional redemption on the first Business Day of each month.

(b) Bonds in an R-FLOATs Term Period are subject to optional redemption on the day following the end of such R-FLOATs Term Period (which must be a Business Day).

(c) During any R-FLOATs Special Non-Remarketing Period, all Bonds in the R-FLOATs Rate Mode are subject to optional redemption on any Business Day.

(5) *Bond Sinking Fund Redemption.* Series 2024A Bonds are redeemable pursuant to the Bond Sinking Fund in the manner provided in Section 502 hereof.

(6) *Optional Redemption of Bonds in the Bank Index Mode.* Series 2024A Bonds in the Bank Index Mode are subject to redemption prior to their Maturity Date, by the Authority at the written direction of the Corporation and upon 30 days' advance written notice by the Corporation to the Purchaser, in whole or in part on any Business Day (and in any Authorized Denomination) at a Redemption Price equal to 100% of the principal amount of Series 2024A Bonds called for redemption, plus any premium or breakage fees specified in the Continuing Covenant Agreement, together with accrued interest, if any, from the end of the preceding Interest Payment Period to the redemption date.

(7) *Optional Redemption of Bonds in the Bank Fixed Mode.* Series 2024A Bonds in the Bank Fixed Mode are subject to redemption prior to their Maturity Date, by the Authority at the written direction of the Corporation, in whole or in part on any Business Day (and in any Authorized Denomination) at a Redemption Price equal to 100% of the principal amount of Series 2024A Bonds called for redemption, plus any premium or breakage fees specified in the Continuing Covenant Agreement, together with accrued interest, if any, from the end of the preceding Interest Payment Period to the redemption date.

(8) *Minimum Redemption Amount.* No redemption (other than a redemption under Section 501(B)(5) hereof) of less than all of the Series 2024A Bonds at the time

outstanding shall be made pursuant to the provisions of Section 501 unless (a) the aggregate principal amount of such Series 2024A Bonds to be redeemed is equal to or greater than \$100,000 and (b) the Series 2024A Bonds are redeemed in Authorized Denominations.

(C) Notice to Bond Trustee. Series 2024A Bonds may be called for redemption by the Bond Trustee pursuant to this Section 501 upon receipt by the Bond Trustee of a Written Request of the Corporation requesting such redemption, with respect to Series 2024A Bonds in a Mode other than the Fixed Rate Mode, at least 20 days prior to the Redemption Date and, with respect to the Series 2024A Bonds to be redeemed in the Fixed Rate Mode, at least 45 days prior to the Redemption Date. Such Written Request shall specify the principal amount of the Series 2024A Bonds to be called for redemption, the applicable Redemption Price or Prices and the provision or provisions above specified pursuant to which such Series 2024A Bonds are to be called for redemption. The Bond Trustee may waive any such notice.

(D) Purchase in Lieu of Redemption. In lieu of redeeming Series 2024A Bonds pursuant to this Section 501, the Bond Trustee may, at the Written Request of the Corporation, use such funds otherwise available hereunder for redemption of Series 2024A Bonds to purchase Series 2024A Bonds identified by the Corporation in the open market for cancellation at a price specified by the Corporation not exceeding the Redemption Price then applicable hereunder. In the case of any optional redemption or any purchase and cancellation of term Series 2024A Bonds, the Bond Trustee shall apply as a credit against the required Bond Sinking Fund deposits with respect to such term bonds the amount of such term bonds in such order as the Corporation elects in writing prior to such optional redemption or purchase and cancellation or, if no election is made, in the inverse order thereof. The Bond Trustee shall cancel all such Series 2024A Bonds purchased pursuant to this Section 501(D). To the extent Eligible Moneys are required to be used for a redemption under the terms of this Bond Indenture, then such moneys used by the Corporation to purchase Series 2024A Bonds in lieu of redemption shall also be required to be Eligible Moneys. In addition, the amount of Series 2024A Bonds to be redeemed on any date pursuant to the mandatory Bond Sinking Fund redemption schedule shall be reduced by the principal amount of Series 2024A Bonds of the maturity required to be redeemed which are acquired by the Corporation or any other Member and delivered to the Bond Trustee for cancellation pursuant to this Section 501(D).

(E) Optional Purchase of the Bonds. The Authority and, by their acceptance of the Series 2024A Bonds, the Bondholders, irrevocably grant to the Corporation and any assigns of the Corporation with respect to this right, the option to purchase, at any time and from time to time, any Series 2024A Bond which is redeemable pursuant to Section 501(A)(2), on the date on which the Series 2024A Bonds would otherwise be redeemed, at a purchase price equal to the Redemption Price therefor. To exercise such option, the Corporation shall give the Bond Trustee a Written Request exercising such option within the time period specified in Section 501(C) hereof as though such Written Request were a written request of the Authority for redemption, and the Bond Trustee shall thereupon give the Holders of the Series 2024A Bonds to be purchased notice of such purchase in the manner specified in Section 503 hereof as though such purchase were a redemption and the purchase of such Series 2024A Bonds shall be mandatory and enforceable against the Holders, and Holders will not have the right to retain their Series 2024A Bonds. On the date fixed for purchase pursuant to any exercise of such option, the Corporation shall pay or cause to be paid the purchase price of the Series 2024A Bonds then

being purchased to the Bond Trustee in immediately available funds, and the Bond Trustee shall pay the same to the sellers of such Series 2024A Bonds against delivery thereof. Following such purchase, the Bond Trustee shall cause such Series 2024A Bonds to be registered in the name of the Corporation or its nominee and shall deliver them to the Corporation or its nominee. In the case of the purchase of less than all of the Series 2024A Bonds of a maturity, the particular Series 2024A Bonds to be purchased shall be selected in accordance with Section 501(A) hereof. No purchase of the Series 2024A Bonds pursuant to this Section 501(E) shall operate to extinguish the indebtedness of the Authority evidenced thereby. Notwithstanding the foregoing, no purchase shall be made pursuant to this Section 501(E) unless the Corporation shall have delivered to the Bond Trustee and the Authority concurrently therewith (i) if the Series 2024A Bonds to be purchased are Eligible Bonds in a Daily, Weekly or Commercial Paper Mode that are covered by a Credit Facility, an opinion of nationally recognized bankruptcy counsel selected by the Corporation to the effect that such purchase will not constitute an avoidable preference under Section 547 of the United States Bankruptcy Code in the event that the Corporation should become a debtor in proceedings commenced thereunder, and (ii) a Favorable Opinion of Bond Counsel with respect to such purchase.

(F) Liquidity Facility Bonds. Liquidity Facility Bonds shall be called for redemption by the Bond Trustee upon one (1) days' notice prior to the Redemption Date and as otherwise provided in Section 501(C) hereof, as a whole or in part on any date, and if in part by maturities or portions thereof designated by the Corporation at 100% of the principal amount of the Liquidity Facility Bonds called for redemption plus accrued interest to the date fixed for redemption and without premium. Notwithstanding anything herein to the contrary, Liquidity Facility Bonds shall be paid in accordance with the terms of the Liquidity Facility, including, without limitation, on the dates, in the amounts, in the manner and at the times set forth in the Liquidity Facility.

Section 502. Bond Sinking Fund, Redemption of Series 2024A Bonds; Mandatory Redemption.

(A) During the initial Fixed Rate Period, the Series 2024A Bonds maturing on February 15, 2054 bearing interest at a rate of 5.500% shall be redeemed (or paid at maturity, as the case may be) by application of Bond Sinking Fund Redemption payments in the following amounts and on the following dates:

Bond Sinking Fund Redemption Date (February 15)	Principal Amount
2050	\$11,285,000
2051	41,870,000
2052	51,310,000
2053	17,920,000
2054*	8,235,000

* Final Maturity

Upon the conversion of the Bonds pursuant to the terms hereof, if the Series 2024A Bonds will be subject to mandatory Bond Sinking Fund Redemption, then with respect to the payment of Series 2024A Bonds by maturity or mandatory redemption through the Bond Sinking Fund, the

Authority (to the extent funds are available through the Revenue Fund) shall have on deposit in the Bond Sinking Fund moneys in the amounts and at the times, respectively, and the Series 2024A Bonds shall be paid at their respective Maturity Dates and shall be mandatorily redeemed pursuant to the schedule of payments delivered pursuant to this Section 502.

(i) The Series 2024A Bonds shall be redeemed by the Bond Trustee pursuant to the provisions of this paragraph without any notice from or direction by the Authority or the Corporation. Payment or redemption of the Series 2024A Bonds through the Bond Sinking Fund shall be without premium.

(ii) The amounts referred to in this Section 502 shall be reduced (1) by the amount of Series 2024A Bonds acquired and delivered in accordance with Section 501(D) hereof in satisfaction of such Bond Sinking Fund requirements and (2) in connection with a partial redemption of Series 2024A Bonds if the Corporation elects to reduce mandatory Bond Sinking Fund redemptions for the Series 2024A Bonds in the manner provided in Section 501 hereof.

(B) Prior to each conversion of any of the Series 2024A Bonds to the Indexed Mode or another Fixed Rate Mode pursuant to Section 212 hereof (which conversion of any Insured Bonds shall require the consent of the Bond Insurer), and no later than the Rate Determination Date, the Remarketing Agent shall deliver to the Bond Trustee, the Authority and the Corporation a certificate which includes, if applicable, (1) a schedule specifying the principal amount of converted Series 2024A Bonds of each maturity which will mature on February 15 of the years specified in such schedule and the interest rate payable on the converted Series 2024A Bonds of each such maturity and (2) a schedule specifying the principal amount of converted Series 2024A Bonds maturing February 15 of the years specified in such schedule to be called for mandatory Bond Sinking Fund redemption on February 15 of the years specified in such schedule. In determining the principal maturities, mandatory Bond Sinking Fund redemption payments and interest rates for converted Series 2024A Bonds, the Remarketing Agent shall use the following guidelines:

(a) The Remarketing Agent shall determine the schedule of principal payments on the converted Series 2024A Bonds to achieve the lowest interest rates with respect to the converted Series 2024A Bonds (or otherwise deliver a Favorable Opinion of Bond Counsel in connection with such schedule of principal payments with respect to the converted Series 2024A Bonds); provided that such schedule of payments shall not cause the weighted average maturity of the Bonds to exceed 120% of the reasonably expected economic life of the Bond Financed Property refinanced with proceeds of the Series 2024A Bonds (as detailed in the Tax Exemption Agreement) nor shall such schedule conflict with the maturity and mandatory sinking fund parameters of the Authority's resolutions authorizing the issuance of the Series 2024A Bonds as the same may have been amended. In making such schedule, the Remarketing Agent shall, to the extent necessary, alternately round down and up to the nearest \$5,000 the amount allocable to the Series 2024A Bonds which are being converted;

(b) The Remarketing Agent shall allocate the converted Series 2024A Bonds between serial bonds and term bonds in such manner as shall produce the lowest aggregate interest payable with respect to the converted Series 2024A Bonds; and

(c) The Remarketing Agent shall set the interest rate on each converted Series 2024A Bond of a particular maturity at the lowest interest rate that will enable such Series 2024A Bond upon conversion to be remarketed on the first day of the Indexed Rate Period or the Fixed Rate Period, as the case may be, at par (plus any accrued interest) taking into account the maturity of such Series 2024A Bond and the Bond Sinking Fund payments, if any, to be made with respect to converted Series 2024A Bonds of such maturity; provided, however, the Corporation may direct the Remarketing Agent to remarket any converted Bond at a premium or discount from par if the Corporation delivers to the Bond Trustee and the Authority an Opinion of Bond Counsel to the effect that utilization of such method will not have an adverse effect on any exemption from federal income taxation to which the interest on the Bonds would otherwise be entitled and will not have an adverse effect on the validity or enforceability of any Series 2024A Bond, and in the event of such direction, the Remarketing Agent shall set the interest rate on each such converted Bond of a particular maturity at the lowest rate that will enable such Bond upon conversion to be remarketed at such premium or discount; provided, further, if so remarketed at a discount, the Corporation shall pay the difference (with Eligible Moneys if such Bonds are being converted from an Eligible Moneys Mode supported by a Liquidity Facility). In the event such Series 2024A Bonds are remarketed at a discount from par, if on the Mode Change Date funds (which shall be Eligible Moneys if such Bonds are being converted from an Eligible Moneys Mode supported by a Liquidity Facility) are not on deposit in the Purchase Fund and available for the payment of the discount portion of the Purchase Price on such date, the mandatory purchase of such Series 2024A Bonds on such Mandatory Purchase Date shall not occur and the change in Mode shall not become effective.

(d) The foregoing notwithstanding, the Authority at the direction of the Corporation may agree to another method for providing for payment of principal on the Series 2024A Bonds after a Fixed Rate Mode Change Date if there is delivered to the Bond Trustee, and the Authority by the Corporation a Favorable Opinion of Bond Counsel; provided, however, the Series 2024A Bonds may not be sold at a discount to par unless prior to such sale, Eligible Moneys in an amount sufficient to pay any shortfall in the Purchase Price of Eligible Bonds in an Eligible Moneys Mode supported by a Liquidity Facility prior to the Fixed Rate Mode Change Date are on deposit with the Tender Agent.

(e) Upon the conversion of the Bonds from the Fixed Rate Mode, the Maturity Date for any Outstanding serial maturities of the Bonds shall become February 15, 2054 and principal amounts of such serial maturities of the Bonds while operating in the prior Fixed Rate Mode shall become Bond Sinking Fund redemption payments. All existing Bond Sinking Fund redemption payments shall remain in effect and any term bond maturity installment (other than the installment due on the final Maturity Date) shall become a Bond Sinking Fund redemption installment. The final Maturity Date of the Bonds and the amount of principal due on such final Maturity Date will not be changed. Notwithstanding the foregoing, the Corporation may deliver to the Bond Trustee and the Authority a schedule of revised Maturity Dates and maturity amounts, including Bond Sinking Fund redemption payments, for the Bonds then being converted from the Fixed Rate Mode; provided that such schedule is accompanied by a Favorable Opinion of Bond Counsel.

(C) Liquidity Facility Bonds are subject to (1) special mandatory redemption at a redemption price equal to 100% of the principal amount of such Liquidity Facility Bonds to be redeemed plus accrued interest thereon to but not including the date of such redemption or (2) special mandatory purchase at a purchase price equal to 100% of the principal amount of such Liquidity Facility Bonds to be purchased plus accrued interest thereon to but not including the date of such purchase, on the dates, in the amounts and in the manner set forth in the applicable Credit Facility, Reimbursement Agreement or Liquidity Facility.

(D) Series 2024A Bonds in a Term-Out Period are subject to special mandatory redemption at a redemption price equal to 100% of the principal amount of such Series 2024A Bonds to be redeemed plus accrued interest thereto but not including the date of such redemption, on each Term-Out Payment Date, in the amounts and in the manner set forth in Section 210(D) hereof and the applicable Continuing Covenant Agreement, if applicable pursuant to the terms of the Continuing Covenant Agreement.

(E) Special Mandatory Redemption of R-FLOATs Non-Remarketed Bonds. If an R-FLOATs Term-Out Event occurs, all Bonds in the R-FLOATs Rate Mode (including Bonds in the R-FLOATs Rate Mode that are not R-FLOATs Special Non-Remarketed Bonds) shall be redeemed, at a redemption price equal to 100% of the principal amount to be redeemed plus accrued interest thereon to the redemption date, on the third anniversary of the R-FLOATs Term-Out Event (or, if the third anniversary is not a Business Day, on the next Business Day after such third anniversary), unless the R-FLOATs Special Non-Remarketing Period ends before such third anniversary.

Section 503. Notice of Redemption: Cancellation. Notice of the call for any such redemption shall state the following: (a) the name of the bond issue, (b) the CUSIP number, if any, and bond certificate number of the Series 2024A Bonds to be redeemed, (c) the original dated date of the bond issue, (d) the interest rate and Maturity Date of the Series 2024A Bonds to be redeemed, (e) the date of the redemption notice, (f) the Redemption Date, (g) the Redemption Price, and (h) the address and telephone number of the Principal Office of the Bond Trustee. Such notice shall further state that on the Redemption Date for such Series 2024A Bonds there shall become due and payable upon each Series 2024A Bond to be redeemed the Redemption Price thereof, or the Redemption Price of the specified portion of the principal amount thereof in the case of a Series 2024A Bond to be redeemed in part only, with interest accrued and unpaid to such date, and that from and after such date, interest thereon shall cease to accrue and be payable. The redemption notice shall be given by mailing a copy of such notice of redemption by first class mail, postage prepaid not less than 15 or more than 60 days prior to the Redemption Date to the registered owners of the Series 2024A Bonds to be redeemed to the address shown on the Bond Register, the Authority, the Liquidity Facility Provider (if any), the Credit Facility Provider (if any), and the Rating Agencies then rating the Series 2024A Bonds to be redeemed, provided, however, that failure to give such notice by mailing or to provide such notice to any registered securities depository (as hereinafter provided) or a defect in the notice or the mailing as to any Series 2024A Bond will not affect the validity of any proceedings for redemption as to any other Series 2024A Bond with respect to which notice was properly given to the holder thereof. In addition, so long as the ownership of the Series 2024A Bonds is maintained in book-entry form by the Securities Depository, in the event of any redemption of the Series 2024A Bonds or an advance refunding of part of the outstanding Series 2024A Bonds, the Bond Trustee shall send to the Securities Depository a notice specifying: (i) the amount of the redemption or

refunding, (ii) in the case of a refunding, the Redemption Date(s), if any, established under the refunding and (iii) the date such notice is to be mailed to beneficial owners of the Series 2024A Bonds (the “Notice Date”). Such notice shall be sent to the Securities Depository by a secure means (e.g., legible telecopy, registered or certified mail, overnight delivery) in a timely manner designed to assure that such notice is in the Securities Depository’s possession no later than the close of business on the Business Day prior to the Notice Date; provided that such receipt by such time is not a condition precedent to such redemption. The Bond Trustee shall forward such notice either in a separate secure transmission for each CUSIP number or in a secure transmission for multiple CUSIP numbers (if applicable) which includes a manifest or list of each CUSIP submitted in that transmission.

Except for a mandatory Bond Sinking Fund redemption pursuant to Section 502 and prior to the date that the redemption notice is first mailed as aforesaid, either (a) Eligible Moneys (except for Series 2024A Bonds in a Mode other than an Eligible Moneys Mode covered by a Credit Facility for which any funds shall suffice) shall be placed with the Bond Trustee to pay the principal of such Series 2024A Bonds, the accrued and unpaid interest thereon to the Redemption Date and the premium, if any, thereon, or (b) such notice of redemption shall state that it is revocable and any redemption is conditional on Eligible Moneys (except for Series 2024A Bonds in a Mode other than an Eligible Moneys Mode covered by a Credit Facility, any funds) being on deposit with the Bond Trustee on the Redemption Date and that failure to make such a deposit or such deposit not being Eligible Moneys (if required) shall not constitute an event of default hereunder.

Upon the happening of the above conditions and if sufficient funds are placed with the Bond Trustee by the redemption date to pay the principal of such Series 2024A Bonds, the accrued interest thereon to the redemption date and the premium, if any, thereon, the Series 2024A Bonds, or portions thereof, thus called shall not bear interest after the applicable Redemption Date, shall no longer be protected by this Bond Indenture and shall not be deemed to be outstanding under the provisions of this Bond Indenture. The Bond Trustee shall redeem, in the manner provided in this Article V, such an aggregate principal amount of such Series 2024A Bonds at the principal amount thereof plus accrued interest to the redemption date and premium, if any, as will exhaust as nearly as practicable such funds. At the direction of the Corporation, such funds may be invested in U.S. Government Obligations until needed for redemption payout.

If such conditions are not satisfied or sufficient funds are not so deposited by such date, such Series 2024A Bonds shall not be subject to redemption and the holders thereof shall have the same rights as if no such notice had been given. In such event, the Bond Trustee shall promptly give notice thereof to the owners of such Series 2024A Bonds by first class mail, postage prepaid.

All Series 2024A Bonds which have been redeemed shall be cancelled and cremated or otherwise destroyed by the Bond Trustee in accordance with its retention policy then in effect and shall not be reissued and a counterpart of the certificate of cremation or other destruction evidencing such cremation or other destruction shall be furnished upon written request by the Bond Trustee to the Authority and the Corporation.

Section 504. *Optional Tenders of Bonds in the Daily Mode or the Weekly Mode; Optional Tender of Bonds in the R-FLOATs Rate Mode.*

(A) The Holders of Eligible Bonds in a Daily Mode or a Weekly Mode may elect to have their Series 2024A Bonds (or portions of those Series 2024A Bonds in amounts equal to integral multiples of the lowest then applicable Authorized Denomination) purchased on any Business Day at a price equal to the Purchase Price,

(i) in the case of Series 2024A Bonds in the Daily Mode, upon delivery of an irrevocable telephonic notice of tender to the Remarketing Agent, the Bond Trustee and the Tender Agent not later than 10:00 a.m., New York City time, on the Purchase Date specified by the Holder; and

(ii) in the case of Series 2024A Bonds in the Weekly Mode, upon delivery of an irrevocable written notice of tender or irrevocable telephonic notice of tender to the Remarketing Agent, the Bond Trustee and the Tender Agent, promptly confirmed in writing to the Tender Agent, not later than 4:00 p.m., New York City time, on a Business Day not less than 7 days before the Purchase Date specified by the Holder in such notice.

(B) The Holders of Bonds bearing interest at the R-FLOATs Daily Rate, the R-FLOATs Weekly Rate or the R-FLOATs Monthly Rate may elect to have their Series 2024A Bonds (or portions of those Series 2024A Bonds in amounts equal to integral multiples of the lowest then applicable Authorized Denomination) tendered to the Bond Trustee for purchase at a price equal to the Purchase Price on the following dates (each an “R-FLOATs Optional Tender Date”):

(i) If such Bond is in an R-FLOATs Daily Period or an R-FLOATs Weekly Period, on any Business Day. In order to exercise such option with respect to a Bond in an R-FLOATs Daily Period or an R-FLOATs Weekly Period, the holder must deliver notice to the Bond Trustee not less than five Business Days prior to the related R-FLOATs Optional Tender Date.

(ii) If such Bond is in an R-FLOATs Monthly Period, on any Interest Payment Date. In order to exercise such option with respect to a Bond in an R-FLOATs Monthly Period, the holder must deliver notice to the Bond Trustee not less than five Business Days prior to the related R-FLOATs Optional Tender Date.

(iii) Holders of Bonds in the R-FLOATs Rate Mode with an R-FLOATs Term Period shall not have the right to tender such Bonds for purchase during the R-FLOATs Term Period, but shall be required to tender such Bonds for purchase pursuant to Section 211 on the day immediately following the last day of the R-FLOATs Term Period.

Such notices of tender shall state the CUSIP number, if any, Series 2024A Bond number (if the Series 2024A Bond is not registered in the name of the Securities Depository) and the principal amount of the portion of such Bond to be optionally tendered and that such portion shall be purchased on the Purchase Date specified above. Payment of the Purchase Price shall be made pursuant to this Section 504 only if the Series 2024A Bond so delivered to the Tender Agent conforms in all respects to the description thereof in the notice described in this Section 504. A Holder who gives the notice of tender as set forth above may repurchase the Series

2024A Bonds so tendered on such Purchase Dates if the Remarketing Agent agrees to sell the Series 2024A Bonds so tendered to such Holder. If such Holder decides to repurchase such Series 2024A Bonds and the Remarketing Agent agrees to sell the specified Series 2024A Bonds to such Holder, the delivery requirements set forth in Section 510(D) shall be waived. The Tender Agent may assume that a Series 2024A Bond is an Eligible Bond unless it has actual knowledge to the contrary.

Section 505. *Mandatory Purchase at End of Commercial Paper Rate Periods, at End of Bank Rate Periods and at End of Term-Out Periods.*

(A) Mandatory Purchase at End of Commercial Paper Period. Each Series 2024A Bond in the Commercial Paper Mode is subject to mandatory purchase on the Purchase Date for the current Interest Period at the Purchase Price. No notice of such mandatory purchase shall be given to the Holders. On each Purchase Date for Series 2024A Bonds in the Commercial Paper Mode, such Series 2024A Bonds shall be deemed to have been tendered for purchase regardless of whether such Series 2024A Bonds are actually so tendered.

(B) Mandatory Purchase at End of Bank Rate Period. Unless the Purchaser exercises its Right to Retain pursuant to Section 210(C)(1) hereof or the Corporation elects the option for a Term-Out Period pursuant to Section 210(D) hereof and the Continuing Covenant Agreement provides for a Term-Out Period (which is not included in the initial Continuing Covenant Agreement) and the conditions precedent set forth in the Continuing Covenant Agreement applicable to such Term-Out Period have been satisfied, (1) each Series 2024A Bond in the Bank Index Mode is subject to mandatory purchase on the Bank Index Rate Purchase Date for the current Bank Index Rate Period at the Purchase Price, and (2) each Series 2024A Bond in the Bank Fixed Mode is subject to mandatory purchase on the Bank Fixed Rate Purchase Date for the current Bank Fixed Rate Period at the Purchase Price. The Tender Agent shall give notice of such mandatory purchase by mail to the Holders of the Series 2024A Bonds subject to mandatory purchase no less than thirty (30) days prior to the applicable Bank Rate Purchase Date. The notice shall state the Mandatory Purchase Date and the Purchase Price. The failure to give such notice with respect to any Series 2024A Bond shall not affect the validity of the mandatory purchase of any other Series 2024A Bonds with respect to which notice was so given. Any notice sent will be conclusively presumed to have been given, whether or not actually received by any Bondholder.

(C) Mandatory Purchase at End of Term-Out Period. Each Series 2024A Bond is subject to mandatory purchase on the Term-Out Purchase Date at the Purchase Price. The Tender Agent shall give notice of such mandatory purchase by mail to the Holders of the Series 2024A Bonds subject to mandatory purchase no less than thirty (30) days prior to the applicable Term-Out Purchase Date. The notice shall state the Mandatory Purchase Date, the Purchase Price and that interest on the Series 2024A Bonds subject to mandatory purchase shall cease to accrue from and after the Mandatory Purchase Date. The failure to give such notice with respect to any Series 2024A Bond shall not affect the validity of the mandatory purchase of any other Series 2024A Bonds with respect to which notice was so given. Any notice sent will be conclusively presumed to have been given, whether or not actually received by any Bondholder.

Section 506. *Mandatory Purchase on Mode Change Date.* (A) Series 2024A Bonds to be changed from one Mode to another Mode (other than a change to the Fixed Rate Mode, which

Series 2024A Bonds are subject to mandatory purchase pursuant to subsection (B) of this Section 506) are subject to mandatory purchase on the Mode Change Date at the Purchase Price. The Tender Agent shall give Immediate Notice of such mandatory purchase to the Holders of such Series 2024A Bonds no less than seven days prior to the Mandatory Purchase Date. The notice shall state the Mandatory Purchase Date, the Purchase Price and that interest on such Series 2024A Bonds (other than Liquidity Facility Bonds) shall cease to accrue from and after the Mandatory Purchase Date. As set forth in Section 212(A)(1), any notice of a Mode Change Date being provided to Holders shall state that the Corporation, not less than three Business Days prior to the proposed Mode Change Date, may revoke such notice. In such event, the Tender Agent shall give Immediate Notice to the Holders within one Business Day of receipt of notice of revocation from the Corporation. The failure to give such notice with respect to any Series 2024A Bond shall not affect the validity of the mandatory purchase of any other Series 2024A Bond with respect to which notice was so given. Any notice mailed will be conclusively presumed to have been given, whether or not actually received by any Holder.

(B) Series 2024A Bonds to be changed to the Fixed Rate Mode are subject to mandatory purchase on the Mode Change Date at the Purchase Price (subject to the provisions of Section 208 hereof). The Tender Agent shall give notice of such mandatory purchase as part of the notice of change of Mode to be sent to the Holders pursuant to Section 212(B)(1)(b). The failure to give such notice with respect to any Series 2024A Bond shall not affect the validity of the mandatory purchase of any other Series 2024A Bond with respect to which notice was so given. Any notice mailed will be conclusively presumed to have been given, whether or not actually received by any Holder.

Section 507. Mandatory Purchase at End of Interest Period for Term Rate Mode. Series 2024A Bonds in the Term Rate Mode are subject to mandatory purchase on the Purchase Date for the current Interest Period at the Purchase Price. The Tender Agent shall give notice of such mandatory purchase by mail to the Holders of such Series 2024A Bonds no less than 30 days prior to the Mandatory Purchase Date. The notice shall state the Mandatory Purchase Date, the Purchase Price and that interest on such Series 2024A Bonds shall cease to accrue from and after the Mandatory Purchase Date. The failure to give such notice with respect to any Series 2024A Bond shall not affect the validity of the mandatory purchase of any other Series 2024A Bond with respect to which notice was so given. Any notice mailed will be conclusively presumed to have been given, whether or not actually received by any Holder.

Section 508. Mandatory Purchase on Expiration Date, Substitute Liquidity Facility Date, Substitute Credit Facility Date, Termination Date and Credit Facility Default Tender Date.

(A) *Mandatory Purchase on Expiration Date, Substitute Liquidity Facility Date and Substitute Credit Facility Date.* On each Substitute Liquidity Facility Date and Substitute Credit Facility Date, the Eligible Bonds in an Eligible Moneys Mode supported by a Liquidity Facility or a Credit Facility, as applicable, shall be subject to mandatory purchase on such date at the Purchase Price. On the second Business Day preceding each Expiration Date, the Eligible Bonds in an Eligible Moneys Mode supported by a Liquidity Facility or a Credit Facility, as applicable, shall be subject to mandatory purchase on such date at the Purchase Price; provided, however, that such Series 2024A Bonds shall not be subject to mandatory purchase on the second Business Day preceding each Expiration Date if on or prior to the 15th day prior to such Expiration Date,

the Corporation has furnished to the Bond Trustee a Renewal Liquidity Facility or Renewal Credit Facility, as applicable. The Tender Agent shall give notice of such mandatory purchase by mail to the Holders of the Series 2024A Bonds involved no less than 10 days prior to such Mandatory Purchase Date. The notice shall state the reason for the mandatory purchase, the Mandatory Purchase Date, the Purchase Price and that interest on such Series 2024A Bonds shall cease to accrue from and after the Mandatory Purchase Date. The failure to give such notice with respect to any Series 2024A Bond involved shall not affect the validity of the mandatory purchase of any other Series 2024A Bond with respect to which notice was so given. Any notice mailed will be conclusively presumed to have been given, whether or not actually received by any Holder. The payment of the Purchase Price of any Series 2024A Bonds tendered pursuant to this Section 508(A) shall be made pursuant to a draw on the Liquidity Facility (or Credit Facility if the Credit Facility is also a Liquidity Facility) then in existence and not on the Substitute Liquidity Facility (or Substitute Credit Facility if such Substitute Credit Facility is to also be a Liquidity Facility).

(B) *Mandatory Purchase on Termination Date.* On the second Business Day preceding each Termination Date applicable to a Series 2024A Bond, if such Series 2024A Bond is an Eligible Bond in an Eligible Moneys Mode supported by a Liquidity Facility or by a Credit Facility, as applicable, it shall be subject to mandatory purchase on such date at the Purchase Price. The Tender Agent shall give notice of such mandatory purchase by mail to the Holders of such Series 2024A Bonds no later than the Business Day after receipt of notice of termination from the Liquidity Facility Provider or the Credit Facility Provider, as applicable. The notice shall state the Mandatory Purchase Date, the Purchase Price and that interest on such Series 2024A Bonds shall cease to accrue from and after the Mandatory Purchase Date. The failure to give such notice with respect to any Series 2024A Bond involved shall not affect the validity of the mandatory purchase of any other Series 2024A Bond with respect to which notice was so given. Any notice mailed will be conclusively presumed to have been given, whether or not actually received by any Holder.

(C) *Mandatory Purchase on Credit Facility Default Tender Date.* Upon receipt by the Bond Trustee of a written notice from the Credit Facility Provider that an event of default has occurred and is continuing under the Reimbursement Agreement and directing a mandatory tender of the Eligible Bonds in an Eligible Moneys Mode covered by the Credit Facility or that the Credit Facility Provider is not reinstating the interest portion of the Credit Facility, all Eligible Bonds in an Eligible Moneys Mode covered by the Credit Facility shall be purchased on a date designated by the Bond Trustee (a “Credit Facility Default Tender Date”) at a Purchase Price equal to 100% of the principal amount thereof plus accrued interest, if any, to the purchase date. Such Credit Facility Default Tender Date shall be the Business Day immediately following receipt by the Bond Trustee of such notice from the Credit Facility Provider. Bondholders may not elect to continue to hold such Series 2024A Bonds after such Credit Facility Default Tender Date. Following receipt of the written notice described above, the Bond Trustee shall give Immediate Notice to the owners of all Eligible Bonds in an Eligible Moneys Mode covered by the Credit Facility stating (i) the reason for the Credit Facility Default Tender Date and (ii) that the Eligible Bonds in an Eligible Moneys Mode covered by the Credit Facility are required to be purchased on the Credit Facility Default Tender Date designated in the notice. Following receipt of the written notice described above, the Bond Trustee shall give Immediate Notice to the owners of such Series 2024A Bonds. Such notice shall state (a) that (y) there has been an Event of Default under the Reimbursement Agreement or (z) the interest coverage on the Credit

Facility will not be reinstated, (ii) the Credit Facility Default Tender Date, (iii) the Purchase Price, and (iv) that interest on such Series 2024A Bonds shall cease to accrue from and after the Credit Facility Default Tender Date. The failure to give such notice with respect to any Series 2024A Bond shall not affect the validity of the mandatory purchase of any other Series 2024A Bond with respect to which notice was so given. Any notice mailed will be conclusively presumed to have been given, whether or not actually received by any Holder.

(D) The Tender Agent may assume that a Series 2024A Bond is an Eligible Bond unless a Responsible Officer has actual knowledge that such Series 2024A Bond is not an Eligible Bond.

Section 509. Remarketing of Bonds; Notices.

(A) Remarketing of Bonds. The Remarketing Agent shall use its best efforts to offer for sale and sell:

(1) all Series 2024A Bonds or portions thereof as to which notice of tender has been given pursuant to Section 504;

(2) all Series 2024A Bonds required to be purchased pursuant to Sections 505, 506, 507 and 508; and

(3) all Liquidity Facility Bonds.

(B) Notice of Remarketing; Registration Instructions; New Bonds. On each Purchase Date or Mandatory Purchase Date, as the case may be:

(1) unless the Remarketing Agent has notified the Tender Agent and the Bond Trustee otherwise, the Remarketing Agent shall give Immediate Notice to the Tender Agent and the Bond Trustee not later than 12:00 noon, or with respect to the R-FLOATs Rate Mode not later than 2:00 p.m., New York City time of the amount of tendered Series 2024A Bonds which were successfully remarketed, the names of the tendering Holders and the registration instructions (i.e., the names, addresses and taxpayer identification numbers of the purchasers and the denominations thereof which shall be Authorized Denominations) with respect thereto; and

(2) the Bond Trustee shall execute new Series 2024A Bonds for the respective purchasers thereof which shall be available for pick-up by the Remarketing Agent pursuant to Section 510(E).

The provisions of this clause (B) shall be subject in all respects to the procedures prescribed by any Securities Depository.

(C) Transfer of Funds; Draw on Liquidity Facility. Except with respect to any Series 2024A Bonds in the R-FLOATs Rate Mode, (x) If a Liquidity Facility is not then in effect with respect to the Series 2024A Bonds, on each Purchase Date or Mandatory Purchase Date, as the case may be:

(1) the Remarketing Agent shall give notice to the Tender Agent and the Bond Trustee of receipt of the Purchase Price of remarketed Series 2024A Bonds by 11:15 a.m. New York City time;

(2) the Remarketing Agent shall cause to be paid to the Tender Agent the Purchase Price of the remarketed Series 2024A Bonds by 11:30 a.m., New York City time;

(3) the Tender Agent shall give notice to the Series 2024A Bond Trustee and the Corporation (or the Tender Agent shall instruct the Bond Trustee to give notice and the Bond Trustee shall give notice) by 11:45 a.m., New York City time, (and promptly thereafter, the Tender Agent shall so notify the Securities Depository) of the amount equal to the Purchase Price of all Series 2024A Bonds tendered or deemed tendered less the aggregate amount of remarketing proceeds on hand; and

(4) the Corporation shall provide to the Tender Agent by 2:30 p.m., New York City time, on such date an amount, in immediately available funds, sufficient, together with the proceeds of the remarketing of Series 2024A Bonds on such date then on hand with the Tender Agent, to enable the Tender Agent to pay the Purchase Price in connection therewith.

(y) If a Liquidity Facility is then in effect with respect to the Series 2024A Bonds, on each Purchase Date or Mandatory Purchase Date, as the case may be:

(1) the Remarketing Agent shall give notice to the Tender Agent and the Bond Trustee of receipt of the Purchase Price of remarketed Series 2024A Bonds by 11:30 a.m., New York City time;

(2) the Remarketing Agent shall cause to be paid to the Tender Agent the Purchase Price of the remarketed Series 2024A Bonds by 11:45 a.m., New York City time; and

(3) the Tender Agent (or the Bond Trustee if the Bond Trustee is the beneficiary under the Liquidity Facility) shall draw on the Liquidity Facility (the then existing Liquidity Facility in the case of a Substitute Liquidity Facility Date or a Substitute Credit Facility Date) in accordance with the terms thereof so as to receive thereunder by 2:30 p.m., New York City time, on such date an amount, in immediately available funds, sufficient, together with the proceeds of the remarketing of Series 2024A Bonds on such date then on hand with the Tender Agent, to enable the Tender Agent to pay the Purchase Price in connection therewith (if the Bond Trustee is the beneficiary under the Liquidity Facility, the Bond Trustee shall cause to be paid to the Tender Agent the draw from the Liquidity Facility by 2:30 p.m., New York City time, on such date).

If on any Purchase Date there are insufficient funds available in the Purchase Fund to pay the Purchase Price due on such date following a default, repudiation or wrongful dishonor by the Liquidity Facility Provider, the Tender Agent (or the Bond Trustee if the Bond Trustee is the beneficiary under the Liquidity Facility) shall provide Immediate Notice to the Corporation of

the amount of any such insufficiency and demand payment thereof by the Corporation in accordance with Section 5.2(d) of the Loan Agreement.

(D) In connection with any remarketing of Series 2024A Bonds where an Event of Default has occurred under Section 702 hereof or a notice of redemption has been sent with regard to such Series 2024A Bonds pursuant to Section 503 hereof, the Remarketing Agent shall notify the purchasers of such Series 2024A Bonds of the Event of Default or redemption.

Section 510. General Provisions Relating to Tenders.

(A) Purchase Fund. The Tender Agent shall establish and maintain a special fund designated as the “*Purchase Fund*,” and within such fund three separate accounts designated, respectively, as the “*Liquidity Facility Deposit Account*,” the “*Remarketing Proceeds Account*” and the “*Corporation’s Account*”. The money in the Purchase Fund shall be held in trust and applied solely as provided in this Section. The Remarketing Agent, the Tender Agent and the Bond Trustee shall not have any right to payment from or any interest in any money in the Purchase Fund.

The Tender Agent shall deposit all moneys delivered to it pursuant to Section 509(C)(2) hereof for the purchase of Series 2024A Bonds into the Remarketing Proceeds Account and shall hold all such moneys in trust for the exclusive benefit of the Person that shall have so delivered such moneys until the Series 2024A Bonds purchased with such moneys shall have been delivered to it for the account of such Person and, thereafter, for the benefit of the Holders tendering such Series 2024A Bonds.

The Tender Agent shall deposit all moneys delivered to it pursuant to Section 509(C)(4) hereof from a payment by or on behalf of the Liquidity Facility Provider for the purchase of Series 2024A Bonds into the Liquidity Facility Deposit Account and shall hold all such moneys in trust for the exclusive benefit of the Liquidity Facility Provider until the Series 2024A Bonds purchased with such moneys shall have been delivered to or for the account of the Liquidity Facility Provider and, after such delivery, the Tender Agent shall hold such funds exclusively for the benefit of the Holders tendering such Series 2024A Bonds.

The Tender Agent shall deposit all moneys delivered to it by the Corporation for the purchase of Series 2024A Bonds into the Corporation’s Account.

Moneys in the Purchase Fund shall not be commingled with other funds held by the Tender Agent and shall remain uninvested. Neither the Authority nor the Corporation shall have any right, title or interest in or to any moneys held in the Purchase Fund.

(B) Payment of Purchase Price. At or before 3:00 p.m., New York City time, on the Purchase Date or Mandatory Purchase Date and upon receipt by the Tender Agent of the aggregate Purchase Price of the tendered Series 2024A Bonds, the Tender Agent shall pay the Purchase Price of such Series 2024A Bonds to the Holders by bank wire transfer in immediately available funds. As long as the Series 2024A Bonds to be purchased are in the R-FLOATs Rate Mode, the only source of funds for the payment of the Purchase Price thereof will be the proceeds of the remarketing, if any, of such Series 2024A Bonds. The Tender Agent shall pay the Purchase Price from the following accounts and in the following order of priority: (1) the Remarketing Proceeds Account (excluding any funds received from a remarketing to the

Obligated Group) to the extent funds are available therein, (2) in the case of Eligible Bonds in any Eligible Moneys Mode supported by a Liquidity Facility, the Liquidity Facility Deposit Account and (3) the Corporation’s Account. The Tender Agent may assume that a Series 2024A Bond is an Eligible Bond unless it has actual knowledge to the contrary. If at close of business New York City time on any Purchase Date or Mandatory Purchase Date any balance remains in the Liquidity Facility Deposit Account in excess of any unsatisfied purchase obligation, such excess shall be promptly returned to the Liquidity Facility Provider.

(C) Inadequate Funds for Tenders. (1) If the funds available for purchases of Eligible Bonds pursuant to this Article V are inadequate for the purchase of all Series 2024A Bonds tendered on any Purchase Date or Mandatory Purchase Date, no purchase shall be consummated and the Tender Agent shall, (a) return all tendered Series 2024A Bonds to the Holders thereof, (b) return all moneys deposited in the Remarketing Proceeds Account to the Remarketing Agent for return to the Persons providing such moneys, and (c) return all moneys deposited in the Liquidity Facility Deposit Account to the Liquidity Facility Provider. If the Series 2024A Bonds that were tendered were in a Term Rate Mode, such Series 2024A Bonds shall automatically convert to the Weekly Mode as provided in Section 207(E). If the Series 2024A Bonds that were tendered were in a R-FLOATs Rate Mode, such Series 2024A Bonds shall automatically convert to the R-FLOATs Weekly Period as provided in Section 211(C).

(2) All such tendered Series 2024A Bonds shall bear interest at the Maximum Rate during the period of time from and including the applicable Purchase Date or Mandatory Purchase Date to (but not including) the date that the Purchase Price of all such tendered Bonds has been paid to the owners thereof (the “*Delayed Remarketing Period*”).

(3) During the Delayed Remarketing Period, the Corporation may direct the conversion of the tendered Bonds to a different Mode in accordance with the applicable provisions of Article II hereof. Notwithstanding the applicable notice provisions of Article II to the contrary, the Bond Trustee shall give five Business Days’ notice of such conversion to the Holders of the Bonds to be converted.

(4) Subject to the terms of the Remarketing Agreement, the Remarketing Agent shall continue to use its best efforts to remarket all of the tendered Bonds.

(5) During the Delayed Remarketing Period, the Bond Trustee shall, upon direction of the Corporation, apply amounts on deposit in the Redemption Fund to the redemption of such tendered Bonds, in whole or in part on any Business Day during the Delayed Remarketing Period, at a redemption price equal to the principal amount thereof, together with interest accrued thereon to the date fixed for redemption, without premium. Notwithstanding Section 501 to the contrary, the Bond Trustee shall give five Business Days’ notice of such redemption to the Holders of the Bonds to be redeemed.

(6) During the Delayed Remarketing Period, interest on such tendered Bonds shall be paid to the Holders thereof, (a) on the first Business Day of each calendar month occurring during the Delayed Remarketing Period and (b) on the last day of the Delayed Remarketing Period.

(D) Delivery of Bonds by Tendering Bondholders; Undelivered Bonds Deemed Purchased. All Series 2024A Bonds to be purchased on any date shall be required to be delivered to the principal office of the Tender Agent at or before 12:00 Noon, New York City time, on such Purchase Date or Mandatory Purchase Date. If the Holder of any Series 2024A Bond (or portion thereof) that is subject to purchase pursuant to this Article V fails to deliver such Series 2024A Bond to the Tender Agent for purchase on the Purchase Date or Mandatory Purchase Date, and if the Tender Agent is in receipt of the Purchase Price therefor, such Series 2024A Bond (or portion thereof) shall nevertheless be deemed tendered and purchased on the day fixed for purchase thereof and ownership of such Series 2024A Bond (or portion thereof) shall be transferred to the purchaser thereof as provided in subsection (E) below. Any Holder who fails to deliver such Series 2024A Bond for purchase shall have no further rights thereunder except the right to receive the Purchase Price thereof upon presentation and surrender of said Series 2024A Bond to the Tender Agent. The Tender Agent shall, as to any tendered Series 2024A Bonds that have not been delivered to it: (1) promptly notify the Remarketing Agent of such nondelivery; and (2) instruct the Bond Trustee to place a stop transfer against an appropriate amount of Series 2024A Bonds of the maturity involved registered in the name of such Holder(s) on the Bond Register. The Bond Trustee shall place such stop(s) commencing with the lowest serial number Series 2024A Bond registered in the name of such Holder(s) until stop transfers have been placed against an appropriate amount of Series 2024A Bonds of the maturity involved until the appropriate tendered Series 2024A Bonds are delivered to the Tender Agent who shall deliver such Series 2024A Bonds to the Bond Trustee. Upon such delivery, the Bond Trustee shall make any necessary adjustments to the Bond Register.

(E) Delivery of Bonds to Purchasers. As long as the Series 2024A Bonds are held under the book-entry system of DTC, all tenders and deliveries of Series 2024A Bonds will be accomplished under the procedures of DTC. Otherwise, on the Purchase Date or Mandatory Purchase Date, the Tender Agent shall direct the Bond Trustee to execute and deliver all Series 2024A Bonds purchased on any Purchase Date or Mandatory Purchase Date as follows: (1) Series 2024A Bonds purchased and remarketed by the Remarketing Agent shall be registered and made available to the Remarketing Agent by 2:30 p.m., New York City time, in accordance with the instructions of the Remarketing Agent; (2) Series 2024A Bonds purchased with amounts paid by or on behalf of the Liquidity Facility Provider shall be registered and made available in the name of or as directed in writing by the Liquidity Facility Provider on or before 2:30 p.m., New York City time, and become Liquidity Facility Bonds; and (3) Series 2024A Bonds purchased with amounts paid by or on behalf of the Corporation shall be registered and made available in the name of or as directed in writing by the Corporation on or before 2:30 p.m., New York City time. Notwithstanding the foregoing, the Tender Agent shall not deliver any such Series 2024A Bonds unless the Liquidity Facility Provider (if any) has received immediately available funds equal to the principal amount of and accrued interest on such Series 2024A Bonds remarketed by the Remarketing Agent (prior to a conversion of all Series 2024A Bonds to Indexed Mode, Term Mode or Fixed Rate Mode) and the Tender Agent has confirmed with such Liquidity Facility Provider that the amount available for the purchase of Series 2024A Bonds is at least equal to the Required Stated Amount.

(F) No Purchases or Sales in Certain Circumstances. Anything in this Bond Indenture to the contrary notwithstanding, if (i) there shall have occurred and be continuing an Event of Default as described in Section 702(a) or (b), or (ii) any conditions set forth in the Remarketing Agreement to the performance of the Remarketing Agent's obligation thereunder to

remarket tendered Series 2024A Bonds shall not have been satisfied, then the Remarketing Agent shall not remarket any Series 2024A Bonds.

(G) No Remarketing to the Authority, the Corporation, etc. The Remarketing Agent shall not remarket, pursuant to the Remarketing Agreement, any Series 2024A Bonds in an Eligible Moneys Mode supported by a Liquidity Facility to the Authority, the Corporation, any Benefited Affiliate, any other Member of the Obligated Group or any Affiliate of any of the foregoing except to the extent that the purchase price therefore is paid with Eligible Moneys.

(H) Liquidity Facility Bonds. The Remarketing Agent shall exercise on an ongoing basis its best efforts to remarket Liquidity Facility Bonds at a price equal to 100% of the principal amount thereof to the extent and subject to the conditions set forth herein and in the Remarketing Agreement. By 10:00 a.m., New York City time, on the Liquidity Facility Bond Sale Date, the Remarketing Agent shall notify the Liquidity Facility Provider, the Corporation and the Bond Trustee of the information set forth in Section 509(B)(1) herein, and the Remarketing Agent shall deliver, or cause to be delivered, to the Bond Trustee immediately available funds in an amount equal to the principal amount of such remarketed Liquidity Facility Bonds and the Corporation shall deliver to the Bond Trustee in immediately available funds an amount equal to the accrued interest thereon (collectively, the "Placement Price") against receipt of registered Series 2024A Bonds.

In addition to all other requirements to be met before the remarketing of Liquidity Facility Bonds, the Remarketing Agent shall not remarket any Liquidity Facility Bonds unless the Bond Trustee shall have received (a) if the Series 2024A Bonds have become Liquidity Facility Bonds as a result of a Termination Date, a Favorable Opinion of Bond Counsel to the effect that the remarketing of the Liquidity Facility Bonds will not have an adverse effect on any exclusion from gross income for federal income tax purposes to which interest on the Bonds would otherwise be entitled or the validity or enforceability of any Series 2024A Bonds, and (b) if the Series 2024A Bonds are in any Eligible Moneys Mode supported by a Liquidity Facility, written notice from the Liquidity Facility Provider that the Liquidity Facility has been reinstated to the Required Stated Amount or, if the Series 2024A Bonds will bear interest at Fixed Rates, a copy of the underwriting agreement with the purchaser of the Series 2024A Bonds.

The Bond Trustee shall take such actions as are necessary to cause the Liquidity Facility Provider to be reflected as the beneficial owner of Liquidity Facility Bonds in the records of DTC, including, if requested by the Liquidity Facility Provider, the assignment of separate CUSIP numbers for such Liquidity Facility Bonds.

(I) Occurrence of Automatic Termination Event or Suspension Event.

(1) Upon the occurrence of an Automatic Termination Event, the Liquidity Facility then in place and the obligation of the Liquidity Facility Provider to purchase Series 2024A Bonds pursuant thereto shall automatically and immediately terminate without notice.

(2) Upon the occurrence of a Suspension Event, the obligation of the Liquidity Facility Provider to purchase Series 2024A Bonds pursuant to the Liquidity Facility shall automatically and immediately be suspended without notice.

(J) R-FLOATs Bonds During any Non-Remarketing Period. The provisions of this Section 510 shall not apply to the Series 2024A Bonds in the R-FLOATs Rate Mode during any R-FLOATs Special Non-Remarketing Period.

Section 511. The Remarketing Agent. (A) During any Mode other than the Indexed Mode and the Fixed Rate Mode, a Remarketing Agent shall be appointed by the Corporation, subject to the conditions contained herein, and shall serve as such under the terms and provisions hereof. The Remarketing Agent and each successor Remarketing Agent, if any, including the initial Remarketing Agent, appointed in accordance with this Bond Indenture shall designate its principal office and signify its acceptance of the duties and obligations imposed upon it as described herein by executing a Remarketing Agreement delivered to the Authority, the Bond Trustee, the Credit Facility Provider (if any), the Tender Agent, and the Corporation, under which the Remarketing Agent (subject to subsection (B) below) will agree particularly:

(1) to hold all moneys delivered to it hereunder for the purchase of Series 2024A Bonds for the exclusive benefit of the Person or Persons that shall have so delivered such moneys until the Series 2024A Bonds purchased with such moneys shall have been delivered to or for the account of such Person or Persons;

(2) to keep such books and records as shall be consistent with prudent industry practice and to make such books and records available for inspection by the Corporation, the Authority, the Bond Trustee, the Tender Agent, the Liquidity Facility Provider and the Credit Facility Provider at all reasonable times;

(3) to determine the Daily Rate, the Weekly Rate, the Commercial Paper Rate, the Term Rate, the Indexed Rate, the Fixed Rates and the R-FLOATs Rates and give notice of such rates in accordance with Article II hereof;

(4) to use its best efforts to find purchasers for the Series 2024A Bonds tendered for purchase, any such sale to be made at the Purchase Price in accordance with the terms of this Bond Indenture;

(5) except as herein otherwise provided, not to sell Series 2024A Bonds in an Eligible Moneys Mode supported by a Liquidity Facility to the Authority, the Corporation, any Benefited Affiliate, any other Member of the Obligated Group or any Affiliate of any of the foregoing except to the extent that the purchase price therefore is paid with Eligible Moneys; and

(6) to deliver to the Tender Agent all Series 2024A Bonds held by it in accordance with the terms of this Bond Indenture and the Remarketing Agreement.

(B) One or more firms may serve as co-Remarketing Agent hereunder provided that each co-Remarketing Agent satisfies the requirements of Section 512. If co-Remarketing Agents have been appointed and are performing the duties of Remarketing Agent hereunder, all references herein to the Remarketing Agent shall be deemed to refer to all the Remarketing Agents acting jointly; provided that the Remarketing Agreement may provide that one firm may perform certain specified duties hereunder in its sole capacity.

(C) The Remarketing Agent may in good faith hold the Series 2024A Bonds or any other form of indebtedness issued by the Authority or any security issued by the Corporation; own, accept or negotiate any drafts, bills of exchange, acceptances or obligations thereof; and make disbursements therefor and enter into any commercial or business arrangement therewith; all without any liability on the part of the Remarketing Agent for any real or apparent conflict of interest by reason of any such actions.

Section 512. Qualifications of Remarketing Agent. (A) The Remarketing Agent shall be authorized by law to perform all the duties imposed upon it. The Remarketing Agent may at any time resign and be discharged of the duties and obligations described in this Bond Indenture by giving at least 30 days' notice to the Corporation, the Authority, the Bond Trustee, the Tender Agent, the Liquidity Facility Provider, the Credit Facility Provider and each Rating Agency then rating the Series 2024A Bonds. Successor Remarketing Agents may be appointed from time to time by the Corporation if not objected to by the Authority or the Liquidity Facility Provider. The Remarketing Agent may be removed upon 30 days' notice upon the Written Request of the Corporation, upon written notice to the Remarketing Agent, the Authority, the Bond Trustee, the Tender Agent, the Liquidity Facility Provider and the Credit Facility Provider, so long as a successor Remarketing Agent shall have assumed the duties thereof by the effective date of such removal. No removal or resignation of the Remarketing Agent shall be permitted until a successor has been appointed in accordance with the provisions hereof; provided, however, if by the 60th day subsequent to the notice of resignation or removal of the Remarketing Agent no successor has been appointed, the Remarketing Agent may resign.

(B) Notwithstanding any other provision to the contrary contained herein, any corporation or association into which the Remarketing Agent may be converted or merged, or with which it may be consolidated, or to which it may be consolidated, or to which it may sell or transfer its marketing business and assets as a whole or substantially as a whole, shall become successor Remarketing Agent hereunder and fully vested with all of the rights, powers, trusts, duties and obligations of Remarketing Agent hereunder, without the execution or filing of any instrument or any further act.

Section 513. The Tender Agent. (A) The Tender Agent shall be appointed by the Authority and shall serve as such under the terms and provisions hereof. The Tender Agent and each successor Tender Agent appointed in accordance with this Bond Indenture shall designate its principal corporate office and signify its acceptance of the duties and obligations imposed upon it as described herein by a written instrument of acceptance delivered to the Authority, the Bond Trustee and the Corporation under which each Tender Agent will agree, particularly:

(1) to hold all Series 2024A Bonds delivered to it for purchase hereunder in trust for the exclusive benefit of the respective Holders that shall have so delivered such Series 2024A Bonds until moneys representing the Purchase Price of such Series 2024A Bonds shall have been delivered to or for the account of or to the order of such Holders;

(2) to hold all moneys delivered to it hereunder for the purchase of Series 2024A Bonds in trust for the exclusive benefit of the Person that shall have so delivered such moneys until the Series 2024A Bonds purchased with such moneys shall have been delivered to it for the account of such Person and, thereafter, for the benefit of the Holders tendering such Series 2024A Bonds;

(3) to keep such books and records as shall be consistent with prudent industry practice and to make such books and records available for inspection by the Corporation, the Authority, the Bond Trustee, the Remarketing Agent, the Liquidity Facility Provider and Credit Facility Provider at all reasonable times; and

(4) for any Series 2024A Bonds in the Commercial Paper Mode, the Tender Agent shall assign such CUSIP numbers to the Series 2024A Bonds on each Rate Determination Date as provided in Section 205.

(B) If and to the extent required by the terms of any Liquidity Facility, the Tender Agent is authorized and directed to execute such Liquidity Facility. The Tender Agent shall be entitled to the protections, indemnities, immunities and limitations from liability afforded the Bond Trustee hereunder in the performance of its duties.

Section 514. Qualifications of Tender Agent. (A) The Tender Agent and each successor Tender Agent shall be a commercial bank with trust powers or trust company duly organized under the laws of the United States of America or any state or territory thereof, and authorized by law to perform all duties imposed upon it hereunder. The Tender Agent shall have an office, affiliate office or agency in New York, New York. The Tender Agent may at any time resign and be discharged of its duties and obligations by giving at least 60 days' notice to the Authority, the Bond Trustee, the Remarketing Agent, the Liquidity Facility Provider, the Credit Facility Provider, all Holders of Series 2024A Bonds then Outstanding and the Corporation. Any Tender Agent may be removed at any time by the Authority upon the Written Request of the Corporation and notice to the Bond Trustee, the Remarketing Agent, the Liquidity Facility Provider, and each Rating Agency then rating the Series 2024A Bonds. Any resignation or removal of the Tender Agent and appointment of a successor Tender Agent shall become effective upon acceptance of appointment by the successor Tender Agent. Successor Tender Agents may be appointed from time to time by the Corporation if not objected to by the Authority or the Liquidity Facility Provider (if any). If no successor Tender Agent shall have been so appointed and accepted appointment within sixty (60) days of such resignation or removal in the manner herein provided, the Tender Agent or Holders of not less than 25% in aggregate principal amount of the Series 2024A Bonds then outstanding may petition any court of competent jurisdiction for the appointment of a successor Tender Agent until a successor shall have been appointed as above provided. The Bond Trustee shall provide notice of such successor Tender Agent to all Holders of the Series 2024A Bonds.

(B) Upon the resignation or removal of a Tender Agent, such Tender Agent shall deliver any Series 2024A Bonds, the Liquidity Facility (if the Tender Agent is the beneficiary under the Liquidity Facility) and moneys held by it in such capacity to its successor.

(C) Notwithstanding any other provision to the contrary contained herein, any corporation or association into which the Tender Agent may be converted or merged, or with which it may be consolidated, or to which it may be consolidated, or to which it may sell or transfer its municipal corporate trust business and assets as a whole or substantially as a whole, shall become successor Tender Agent hereunder and fully vested with all of the rights, powers, trusts, duties and obligations of Tender Agent hereunder, without the execution or filing of any instrument or any further act.

ARTICLE VI GENERAL COVENANTS

Section 601. Payment of Principal, Premium, if any, and Interest. Subject to the limited source of payment hereinafter referred to, the Authority covenants that it will promptly pay the principal of, premium, if any, and interest on every Series 2024A Bond issued under this Bond Indenture at the place, on the dates and in the manner provided herein and in said Series 2024A Bonds according to the true intent and meaning thereof. The principal of, and interest, Redemption Price and premium, if any, on the Series 2024A Bonds are payable solely from (a) payments under the Loan Agreement (except for Unassigned Rights), (b) payments or prepayments by the Corporation or any other Member upon the Master Note, (c) certain funds held by the Bond Trustee under this Bond Indenture, (d) under certain circumstances, certain proceeds of insurance, condemnation awards or sales consummated under threat of condemnation, (e) income from investment of any of the foregoing, and (f) any other sources provided to the Bond Trustee by the Corporation, as described herein. Such Master Note, Loan Agreement (other than Unassigned Rights) and payments thereon are hereby specifically assigned and pledged to the payment of the Series 2024A Bonds in the manner and to the extent herein specified, and nothing in the Series 2024A Bonds or in this Bond Indenture shall be considered as assigning or pledging any funds or assets of the Authority (except the moneys, the Master Note and the Loan Agreement (other than Unassigned Rights) pledged under this Bond Indenture and then only to the extent herein provided).

Section 602. Performance of Covenants; Legal Authorization. The Authority covenants that it will faithfully perform on its part at all times any and all covenants, undertakings, stipulations and provisions contained in this Bond Indenture, in any and every Series 2024A Bond executed, authenticated and delivered hereunder and in all of its proceedings pertaining thereto; provided, however, that except for the matters set forth in any documents hereof relating to payment of the Series 2024A Bonds, the Authority shall not be obligated to take any action or execute any instrument pursuant to any provision hereof until it shall have been requested to do so by the Corporation or by the Bond Trustee, or shall have received the instrument to be executed and at the option of the Authority shall have received from the party requesting such action or execution assurance satisfactory to the Authority that the Authority shall be reimbursed for its reasonable expenses, including legal counsel fees, incurred or to be incurred in connection with taking such action or executing such instrument. The Authority represents that it is duly authorized under the Constitution and the laws of the State, including particularly the Act to issue the Series 2024A Bonds authorized hereby and to execute this Bond Indenture, to grant the security interest herein provided, to assign and pledge the Loan Agreement and the Master Note pledged hereunder (except as otherwise provided herein) and to assign and pledge the amounts hereby assigned and pledged in the manner and to the extent herein set forth, that all action on its part for the issuance of the Series 2024A Bonds and the execution and delivery of this Bond Indenture has been duly and effectively taken, and that the Series 2024A Bonds in the hands of the owners thereof are and will be valid and enforceable obligations of the Authority according to the terms thereof and hereof. Anything contained in this Bond Indenture to the contrary notwithstanding, it is hereby understood that none of the covenants of the Authority contained in this Bond Indenture are intended to create a general or primary obligation of the Authority.

Section 603. Ownership; Instruments of Further Assurance. The Authority represents that it lawfully owns the Master Note and that the pledge and assignment thereof and the assignment of the Loan Agreement (other than Unassigned Rights) to the Bond Trustee hereby made are valid and lawful. The Authority covenants that it will defend its title to the Master Note and its interest in the Loan Agreement and the assignment thereof to the Bond Trustee, for the benefit of the holders and owners of the Series 2024A Bonds, against the claims and demands of all persons whomsoever. The Authority covenants that it will do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered, such indentures supplemental hereto and such further acts, instruments and transfers as the Bond Trustee may reasonably require for the better assuring, transferring, mortgaging, conveying, pledging, assigning and confirming unto the Bond Trustee, the Master Note, the Loan Agreement and all payments thereon and thereunder (except for Unassigned Rights) pledged hereby to the payment of the principal of, premium, if any, and interest on the Series 2024A Bonds.

Section 604. Recording and Filing. Notwithstanding anything to the contrary contained herein, the Bond Trustee shall not be responsible for any initial filings of any financing statements or the information contained therein (including the exhibits thereto), the perfection of any such security interests, or the accuracy or sufficiency of any description of collateral in such initial filings or for filing any modifications or amendments to the initial filings required by any amendments to Article 9 of the Uniform Commercial Code. In addition, unless the Bond Trustee shall have been notified in writing by the Authority that any such initial filing or description of collateral was or has become defective, the Bond Trustee shall be fully protected in (i) relying on such initial filing and descriptions in filing any financing or continuation statements or modifications thereto pursuant to this Section 604 and (ii) filing any continuation statements in the same filing offices as the initial filings were made. The Bond Trustee shall cause to be filed a continuation statement with respect to each Uniform Commercial Code financing statement relating to the Series 2024A Bonds which was filed at the time of the issuance thereof, in such manner and in such places as the initial filings were made, provided that a copy of the filed original financing statement is timely delivered to the Bond Trustee. The Corporation shall be responsible for the customary fees and reasonable costs incurred by the Bond Trustee in the preparation and filing of all continuation statements hereunder.

Section 605. Books and Records. The Bond Trustee shall keep, or cause to be kept, accurate books of records and accounts in which complete and accurate entries shall be made of all funds and accounts established by or pursuant to this Bond Indenture, which shall at all reasonable times be subject to inspection by the Authority or owners (or a designated representative thereof) of not less than ten (10%) in aggregate principal amount of the Series 2024A Bonds then outstanding.

Section 606. Bond Register. The Bond Trustee shall keep on file at its office the Bond Register. At reasonable times and under reasonable regulations established by the Bond Trustee, said Bond Register may be inspected and copied by the Corporation, the Authority or the authorized representative of any holder or holders of ten percent (10%) or more in principal amount of the Series 2024A Bonds outstanding, such ownership and the authority of any such designated representative to be evidenced to the satisfaction of the Bond Trustee.

Section 607. Rights Under the Loan Agreement. The Authority agrees that the Bond Trustee in its own name, as assignee of the Authority, may enforce all rights of the Authority and

all obligations of the Corporation under and pursuant to the Loan Agreement and any obligation of any Member under the Master Note for and on behalf of the Bondholders (other than Unassigned Rights), whether or not the Authority is in default hereunder.

Section 608. Designation of Additional Paying Agents. The Authority with the consent of the Corporation (which consent shall not unreasonably be withheld) may cause the necessary arrangements to be made through the Bond Trustee and to be thereafter continued for the designation of alternate Paying Agents, if any, and for the making available of funds hereunder for the payment of such of the Series 2024A Bonds as shall be presented when due at the principal corporate trust office of the Bond Trustee, or its successor in trust hereunder, or at the Principal Office of said alternate Paying Agents.

Any Paying Agent shall be a commercial bank with trust powers or trust company duly organized under the laws of the United States of America or any state or territory thereof, and authorized by law to perform all duties imposed upon it hereunder. The Paying Agent shall have an office, affiliate office or agency in New York, New York. The Paying Agent may at any time resign and be discharged of its duties and obligations by giving at least 60 days' notice to the Authority, the Bond Trustee, the Remarketing Agent, the Liquidity Facility Provider, the Tender Agent, the Credit Facility Provider, all Holders of Series 2024A Bonds then Outstanding and the Corporation. Any Paying Agent may be removed at any time by the Authority upon the Written Request of the Corporation and notice to the Bond Trustee, the Remarketing Agent, the Liquidity Facility Provider, the Tender Agent and each Rating Agency then rating the Series 2024A Bonds. Any resignation or removal of a Paying Agent and appointment of a successor Paying Agent shall become effective upon acceptance of appointment by the successor Paying Agent. Any Paying Agent and each successor Paying Agent appointed in accordance with this Bond Indenture shall designate its principal corporate office and signify its acceptance of the duties and obligations imposed upon it as described herein by a written instrument of acceptance delivered to the Authority, the Bond Trustee and the Corporation.

Section 609. Compliance With Tax Exemption Agreement. The Authority and the Bond Trustee each covenants and agrees that it will comply with and take all actions specifically required of it by the Tax Exemption Agreement.

Notwithstanding any provision of this Bond Indenture to the contrary, the Bond Trustee shall not be liable or responsible for any calculation or determination which may be required in connection with, or for the purpose of complying with Section 148 of the Code, including without limitation, the calculation of amounts required to be paid to the United States Treasury or the determination of the maximum amount which may be invested in non-purpose obligations having a yield higher than the yield on the Series 2024A Bonds, and the Bond Trustee shall not be liable or responsible for monitoring the compliance by the Authority or the Corporation with any of the requirements of Section 148 of the Code; it being acknowledged and agreed that the sole obligation of the Bond Trustee with respect to the investment of monies held under any Fund shall be to invest such monies in accordance with the terms of this Bond Indenture.

Section 610. Liquidity Facility; Substitute Liquidity Facility. Pursuant to Section 7.10 of the Loan Agreement, the Corporation may elect to maintain a Liquidity Facility or Substitute Liquidity Facility in certain circumstances. The Bond Trustee shall have the obligation to hold and maintain or cause the Tender Agent to hold and maintain any Liquidity Facility or Substitute

Liquidity Facility for the benefit of the owners of the Bonds entitled to the benefits thereof until it terminates in accordance with its terms.

If at any time during the term of any Liquidity Facility or Substitute Liquidity Facility, the Bond Trustee is acting as Tender Agent and any successor Bond Trustee shall be appointed and qualified under this Bond Indenture, the resigning Bond Trustee shall request that the provider of the Liquidity Facility or Substitute Liquidity Facility transfer it or provide a copy of it to the successor Bond Trustee. If the resigning Bond Trustee fails to make this request, the successor Bond Trustee shall do so or cause the Tender Agent to hold and maintain before accepting appointment. If at any time during the term of any Liquidity Facility or Substitute Liquidity Facility any successor Tender Agent shall be appointed and qualified under this Bond Indenture, the Bond Trustee shall cause the resigning Tender Agent to request that the provider of the Liquidity Facility or Substitute Liquidity Facility transfer it (or provide a copy of it, as applicable) to the successor Tender Agent. If the resigning Tender Agent fails to make this request, the Bond Trustee shall cause the successor Tender Agent to do so before accepting appointment.

When any Liquidity Facility or Substitute Liquidity Facility expires in accordance with its terms, the Bond Trustee shall, or shall cause the Tender Agent to immediately surrender it to the provider thereof or return any copy thereof to the Corporation, as applicable. Upon the effective date of the Substitute Liquidity Facility, the Bond Trustee or Tender Agent, as applicable, shall surrender the Liquidity Facility previously in effect to the Liquidity Facility Provider which issued it or return any copy thereof to the Corporation, as applicable; provided, however, that the Bond Trustee or Tender Agent, as applicable, shall not surrender the Liquidity Facility if any draws thereon have not been paid.

Section 611. Credit Facility and Renewal Credit Facility.

(A) Credit Facility. Pursuant to Section 7.13 of the Loan Agreement, the Corporation may elect to provide a Credit Facility when the Series 2024A Bonds are in an Eligible Moneys Mode. The Bond Trustee shall have the obligation to hold and maintain any Credit Facility so provided for the benefit of the owners of the Series 2024A Bonds until such Credit Facility terminates in accordance with its terms. The Series 2024A Bonds shall be initially issued without the support of a Credit Facility.

If at any time during the term of a Credit Facility any successor Bond Trustee shall be appointed and qualified under this Bond Indenture, the resigning Bond Trustee shall request that the Credit Facility Provider transfer the Credit Facility to the successor Bond Trustee. If the resigning Bond Trustee fails to make this request, the successor Bond Trustee shall do so before accepting appointment. When a Credit Facility expires in accordance with its terms, the Bond Trustee shall immediately surrender it to the Credit Facility Provider.

(B) Renewal Credit Facility. The Corporation may, subject to the provisions of the Reimbursement Agreement, at least 15 days prior to the expiration date of an existing Credit Facility arrange for the deposit with the Bond Trustee of a Renewal Credit Facility in substitution for the existing Credit Facility. In connection with such renewal, the Bond Trustee shall also receive an opinion of counsel for the Credit Facility Provider issuing the Renewal Credit Facility in substantially the form of the opinion as to the due authorization, execution,

delivery and enforceability of the existing Credit Facility delivered to the Bond Trustee upon issuance of the existing Credit Facility; provided, however, no such opinion shall be required if the Renewal Credit Facility only extends the expiration date of the Credit Facility being renewed. Upon delivery of a Renewal Credit Facility, the Bond Trustee shall promptly give written notice by first class mail, postage prepaid, to the owners of the Series 2024A Bonds that a Renewal Credit Facility and, if applicable, a renewal Reimbursement Agreement will secure the Series 2024A Bonds.

Section 612. Substitute Credit Facility. The Corporation may, subject to the provisions of the Reimbursement Agreement, at any time arrange for the deposit with the Bond Trustee of a Substitute Credit Facility in substitution for an existing Credit Facility. The Corporation shall cause a draft of such Substitute Credit Facility, a draft, if applicable, of the related substitute Reimbursement Agreement, a draft of any supplemental bond indenture required to be executed in connection with the delivery of the Substitute Credit Facility and appropriate information concerning the Credit Facility Provider which will issue such Substitute Credit Facility have been submitted to the Authority and the Bond Trustee at least 20 days prior to the date such Substitute Credit Facility is to become effective, and appropriate information concerning the Credit Facility Provider which will issue the Substitute Credit Facility has been submitted to each Rating Agency then maintaining a rating on the Series 2024A Bonds.

The Bond Trustee shall give notice to the owners of the Series 2024A Bonds not later than 10 days prior to such substitution becoming effective that (i) the Credit Facility is being replaced by such Substitute Credit Facility, and (ii) the Series 2024A Bonds are required to be tendered for purchase in accordance with Section 508 hereof.

Upon the effective date of the Substitute Credit Facility, the Bond Trustee shall surrender the Credit Facility previously in effect to the Credit Facility Provider which issued it; provided, however, that the Bond Trustee shall not surrender the Credit Facility if any draws thereon have not been paid.

ARTICLE VII REMEDIES

Section 701. Extension of Payment; Penalty. In case the time for the payment of the principal of or the interest on any Series 2024A Bonds shall be extended, whether or not such extension be by or with the written consent of the Authority, such principal or such interest so extended shall not be entitled in case of default hereunder to the benefit or security of this Bond Indenture except subject to the prior payment in full of the principal of all Series 2024A Bonds then outstanding and of all interest thereon, the time for the payment of which shall not have been extended.

Section 702. Events of Default. Each of the following events is hereby declared an “event of default”, that is to say, if:

- (a) payment of any installment of interest payable on any of the Series 2024A Bonds shall not be made when the same shall become due and payable; a payment made by the Bond Insurer pursuant to the Bond Insurance Policy not being considered a payment by the Authority for these purposes; or

(b) payment of the principal or the premium, if any, payable on any of the Series 2024A Bonds shall not be made when the same shall become due and payable, either at the Maturity Date, by proceedings for redemption, upon acceleration, through failure to make any payment to any fund hereunder or otherwise; a payment made by the Bond Insurer pursuant to the Bond Insurance Policy not being considered a payment by the Authority for these purposes; or

(c) payment of any amount due in respect of the Purchase Price of tendered Bonds shall not be made from any source (including the Corporation) when the same shall become due and payable (other than with respect to Bonds in the R-FLOATs Rate Mode); or

(d) the Authority shall for any reason be rendered incapable of fulfilling its obligations hereunder; or

(e) an order or decree shall be entered, appointing a receiver, receivers, custodian or custodians for any of the revenues of the Authority, or approving a petition filed against the Authority seeking reorganization of the Authority under the federal bankruptcy laws or other similar law or statute of the United States of America or any state thereof, and in the case of any such order or decree which was entered without the consent or acquiescence of the Authority, it shall not be vacated or discharged or stayed on appeal within 60 days after the entry thereof; or

(f) any proceeding shall be instituted, with the consent or acquiescence of the Authority, or any plan shall be entered into by the Authority, for the purpose of effecting a composition between the Authority and its creditors or for the purpose of adjusting the claims of such creditors pursuant to any federal or state statute now or hereafter enacted, if the claims of such creditors are under any circumstances payable from any part or all of the trust estate, including the revenues and other moneys derived by the Authority under the Master Note or the Loan Agreement; or

(g) the Authority (1) files a petition in bankruptcy or under Title 11 of the United States Code, as amended, (2) makes an assignment for the benefit of its creditors, (3) consents to the appointment of a receiver, custodian or trustee for itself or for the whole or any part of the trust estate, including the revenues and other moneys derived by the Authority under the Master Note or the Loan Agreement, or (4) is generally not paying its debts as such debts become due; or

(h) (i) the Authority is adjudged insolvent by a court of competent jurisdiction, (ii) on a petition in bankruptcy filed against the Authority it is adjudged as bankrupt, or (iii) an order, judgment or decree is entered by any court of competent jurisdiction appointing, without the consent of the Authority, a receiver, custodian or trustee of the Authority or of the whole or any part of its property and any of the aforesaid adjudications, orders, judgments or decrees shall not be vacated or set aside or stayed within 60 days from the date of entry thereof; or

(i) the Authority shall file a petition or answer seeking reorganization or any arrangement under the federal bankruptcy laws or any other applicable law or statute of the United States of America or any state thereof; or

(j) 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 Authority or of the whole or any substantial part of its property, and such custody or control shall not be terminated within 30 days from the date of assumption of such custody or control; or

(k) any event of default as defined in the Loan Agreement or in Section 5.02 of the Master Indenture shall occur as a result of which the Authority or the Bond Trustee is entitled under the Loan Agreement to request that the Master Trustee declare the Master Note to be immediately due and payable or such event of default shall be continuing from and after the date on which the Master Trustee is entitled under the Master Indenture to declare any Obligation immediately due and payable, or the Master Trustee shall declare any Obligation immediately due and payable; or

(l) the Authority shall default in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained in the Series 2024A Bonds or in this Bond Indenture or any agreement supplemental hereto to be performed on the part of the Authority, and such default shall continue for the period of 30 days after written notice specifying such default and requiring the same to be remedied shall have been given to the Authority, the Corporation and the Credit Facility Provider by the Bond Trustee; provided that the Bond Trustee may give such notice in its discretion and shall give such notice at the written request of the Credit Facility Provider or the owners of not less than 10% in aggregate principal amount of the Series 2024A Bonds then Outstanding hereunder; provided further that if such default cannot with due diligence and dispatch be wholly cured within 30 days but can be wholly cured, the failure of the Authority to remedy such default within such 30-day period shall not constitute a default hereunder if the Authority shall immediately upon receipt of such notice commence with due diligence and dispatch the curing of such default and, having so commenced the curing of such default, shall thereafter prosecute and complete the same with due diligence and dispatch and the same shall in all events be cured within 60 days after written notice thereof from the Bond Trustee to the Authority and the Corporation; or

(m) during any Bank Rate Period, the Bond Trustee receives written notice from the Purchaser to the effect that an event of default has occurred under the Continuing Covenant Agreement which notice may include a direction to accelerate the Series 2024A Bonds.

Upon request, the Authority or the Corporation, to the extent applicable, shall within the applicable period furnish to the Bond Trustee a certificate certifying that the applicable default set forth in (l) above is such that it cannot with due diligence and dispatch be wholly cured within 30 days but can be wholly cured and that the Authority or the Corporation, as applicable, is using commercially reasonable efforts after receipt of such notice to commence with due diligence and dispatch the curing of such default and having so commenced the curing of such default, shall thereafter prosecute and complete the same with due diligence and dispatch and the

same in all events be cured within 60 days after written notice thereof Bond Trustee to the Authority and the Corporation. The Authority or the Corporation, as applicable shall notify the Bond Trustee when such default has been corrected. The Bond Trustee shall be entitled to rely upon any such certificates given pursuant to this Section.

Subject to the provisions of the last paragraph of Section 402 hereof, the Bond Trustee shall give the Corporation Immediate Notice of any failure of the Corporation to pay any installment of interest, principal or premium on the Master Note or any other payment required by Section 5.1 or Section 5.2 of the Loan Agreement on the date when the same shall become due and payable, whether upon a scheduled Interest Payment Date, at the Maturity Date, upon any date fixed for prepayment, by acceleration or otherwise.

Written notice of the occurrence of the foregoing events of default and the continuation of the same for the period, if any, specified in said paragraphs, shall be given by the Bond Trustee to the Credit Facility Provider.

Section 703. Acceleration. (A) Upon the happening of any event of default hereunder, the Bond Trustee (subject in each case to the rights of the Bond Insurer provided in Article XIV hereof):

(i) may, with the prior written consent of the Credit Facility Provider (if any) or the Purchaser (if any) or with the prior written consent of the holders of not less than 25% in aggregate principal amount of the Series 2024A Bonds then Outstanding hereunder (including, without limitation, Liquidity Facility Bonds), if no Credit Facility Provider or Purchaser, with respect to the occurrence of an event of default specified in Sections 702(c) through (l); and

(ii) must

(a) with respect to the occurrence of an event of default specified in Section 702(a) or (b) and with the prior written consent of the Credit Facility Provider (if any) or the Purchaser (if any), or with the prior written consent of the holders of not less than 25% in aggregate principal amount of the Series 2024A Bonds then Outstanding hereunder (including, without limitation, Liquidity Facility Bonds), if no Credit Facility Provider or Purchaser, or

(b) with respect to the occurrence of an event of default specified in Section 702(m), as directed by the Purchaser in writing, or

(c) (A) upon the prior written request of the Credit Facility Provider (if any) or the Purchaser (if any) or (B) upon the prior written request of the holders of not less than 25% in aggregate principal amount of the Series 2024A Bonds then outstanding hereunder (exclusive of Series 2024A Bonds then owned by the Authority or any Member of the Obligated Group but including Liquidity Facility Bonds) with the written consent of the Credit Facility Provider (if any) or the Purchaser (if any), with respect to the occurrence of any other event of default (other than those specified in Sections 702(a), (b) and (m)),

by notice in writing delivered to the Authority, declare the entire principal amount of the Series 2024A Bonds then outstanding hereunder and the interest accrued thereon, immediately due and payable, and the entire principal and interest shall thereupon become and be immediately due and payable, subject, however, to the provisions of Section 711 hereof with respect to waivers of events of default.

(B) Upon the happening of any Liquidity Facility Event of Default, the Bond Trustee shall, upon the written request of the Liquidity Facility Provider, by notice in writing delivered to the Authority, with a copy to the Corporation, declare the entire principal amount of the Liquidity Facility Bonds and the interest accrued thereon, immediately due and payable, and the entire principal and interest shall thereupon become and be immediately due and payable, subject, however, to the provisions of Section 711 hereof with respect to waivers of Events of Default.

(C) The Bond Trustee shall give notice thereof by first class mail, postage prepaid, to all owners of outstanding Series 2024A Bonds, the Authority, the Corporation, the Credit Facility Provider (if any) and the Liquidity Facility Provider (if any); provided, however, that the giving of such notice shall not be considered a precondition to the Bond Trustee declaring the entire principal amount of the Series 2024A Bonds then outstanding and the interest thereon immediately due and payable. So long as a Credit Facility is in effect and on deposit with the Bond Trustee, the Bond Trustee shall draw on the Credit Facility to pay principal of and interest on the Series 2024A Bonds no later than one Business Day after the date the Series 2024A Bonds are declared due and payable.

(D) Upon any acceleration under this Section 703, the Bond Trustee, as the registered owner of the Master Note, shall request an acceleration of the Master Note under the terms and conditions set forth in the Master Indenture.

Section 704. Remedies; Rights of Bondholders. Upon the occurrence of any event of default the Bond Trustee may, with the prior written consent of the Credit Facility Provider (if any) or the Purchaser (if any) or with the prior written consent of the holders of not less than 25% in aggregate principal amount of the Series 2024A Bonds then Outstanding hereunder (including, without limitation, Liquidity Facility Bonds), if no Credit Facility Provider or Purchaser, pursue any available remedy, including a suit at law or in equity to: (a) enforce the payment of the principal of, premium, if any, and interest on the Series 2024A Bonds outstanding hereunder, (b) by mandamus, or other suit, action or proceeding at law or in equity, enforce all rights of the owners under, and require the Authority or the Corporation to carry out any agreements with or for the benefit of the owners of Series 2024A Bonds and to perform its or their duties under, the Act, the Master Note, the Loan Agreement and this Bond Indenture, provided that any such remedy may be taken only to the extent permitted under the applicable provisions of the Loan Agreement or this Bond Indenture, as the case may be; (c) bring suit upon the Series 2024A Bonds; or (d) by action or suit in equity to enjoin any acts or things which may be unlawful or in violation of the rights of the owners of Series 2024A Bonds.

If an event of default shall have occurred, and if the Bond Trustee shall have been requested to do so in writing by the Credit Facility Provider (if any), by the Purchaser (if any) or by the owners of not less than 25% in aggregate principal amount of Series 2024A Bonds then outstanding (including, without limitation, Liquidity Facility Bonds), with the written consent of

the Credit Facility Provider (if any) or the Purchaser (if any) and the Bond Trustee shall have been indemnified as provided in Section 801 hereof, the Bond Trustee shall be obligated to exercise such one or more of the rights and powers conferred by this Section as the Bond Trustee shall deem most expedient in the interests of the owners of Series 2024A Bonds; provided, however, that the Bond Trustee shall have the right to decline to comply with any such written request or direction if the Bond Trustee shall be advised by counsel (who may be its own counsel) that the action so requested may not lawfully be taken or the Bond Trustee in good faith shall determine that such action would be unjustly prejudicial to the holders of Series 2024A Bonds not parties to such request.

Upon the occurrence of any event of default under Section 702 which gives rise to an acceleration of the maturity of the Series 2024A Bonds during any Eligible Moneys Mode supported by a Credit Facility, the Bond Trustee shall request payment under the Credit Facility, if any, of an amount which is equal to the full amount of principal and accrued interest remaining unpaid on the Eligible Bonds that are covered by the Credit Facility. All proceeds of such a draw under the Credit Facility, if any, shall be deposited in the LOC Principal Account of the Bond Sinking Fund and the LOC Interest Account of the Interest Fund, as the case may be. The Bond Trustee shall immediately pay the proceeds of such draw to the Holders of the Series 2024A Bonds and the Series 2024A Bonds shall cease to accrue interest pursuant to Section 1101 hereof.

No remedy by the terms of this Bond Indenture conferred upon or reserved to the Bond Trustee (or to the holders of Series 2024A Bonds, a Purchaser, or a Credit Facility Provider) is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other remedy given to the Bond Trustee, the holders of Series 2024A Bonds, a Purchaser, or a Credit Facility Provider hereunder now or hereafter existing at law or in equity or by statute.

No delay or omission to exercise any right or power accruing upon any default or Event of Default shall impair any such right or power or shall be construed to be a waiver of any such default or Event of Default, or acquiescence therein; and every such right and power may be exercised from time to time and as often as may be deemed expedient.

No waiver of any default or Event of Default hereunder, whether by the Bond Trustee, a Credit Facility Provider, a Purchaser or by the holders of Series 2024A Bonds, shall extend to or shall affect any subsequent default or Event of Default or shall impair any rights or remedies consequent thereon.

When the Bond Trustee incurs expenses or renders services after the occurrence of an act of bankruptcy with respect to the Authority, the Corporation or any Member of the Obligated Group, 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.

Notwithstanding anything to the contrary contained in this Bond Indenture, including in this Article VII, all rights and remedies with respect to the Insured Bonds are subject to the rights of the Bond Insurer set forth in Article XIV herein, and in the event of any conflict, Article XIV shall control.

Section 705. Direction of Proceedings. The Credit Facility Provider, if any, the Purchaser, if any, or the owners of not less than 25% in aggregate principal amount of Outstanding Series 2024A Bonds then outstanding (with the written consent of the Credit Facility Provider, if any, or the Purchaser, if any) shall have the right, at any time, by an instrument or instruments in writing executed and delivered to the Bond Trustee, to direct the method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of this Bond Indenture, including the enforcement of the rights of the Authority under the Loan Agreement or the appointment of a receiver or any other proceedings hereunder; provided, that such direction shall not be otherwise than in accordance with the provisions of law and of this Bond Indenture.

Section 706. Appointment of Receivers. Upon the occurrence of an event of default, and upon the filing of a suit or other commencement of judicial proceedings to enforce the rights of the Bond Trustee and the holders of Series 2024A Bonds under this Bond Indenture, the Bond Trustee shall be entitled, as a matter of right, to the appointment of a receiver or receivers of the rights and properties pledged hereunder and of the revenues, issues, payments and profits thereof, pending such proceedings, with such powers as the court making such appointment shall confer.

Section 707. Application of Moneys. All moneys received by the Bond Trustee or by any receiver pursuant to any right given or action taken under the provisions of this Article with respect to an Event of Default shall, after payment of the cost and expenses of the proceedings resulting in the collection of such moneys and of the fees of, and the expenses, liabilities and advances incurred or made by the Bond Trustee, including the reasonable fees and disbursements of its counsel related thereto and the creation of a reserve for anticipated costs and expenses (provided, however, that the Bond Trustee shall not have a prior right to payment from any amounts drawn under any Credit Facility or any Liquidity Facility, and any amount drawn under such Credit Facility or such Liquidity Facility shall be applied solely to pay the principal of and interest on the Eligible Bonds or to pay the purchase price of tendered Eligible Bonds, as applicable), be deposited in the Revenue Fund and all moneys (other than moneys for the payment of Series 2024A Bonds which have previously matured or otherwise become payable prior to such Event of Default or for the payment of interest which became due prior to such Event of Default) in the Funds maintained by the Bond Trustee under Article III and IV shall be applied as follows:

- (a) Unless the principal of all the Series 2024A Bonds shall have become or shall have been declared due and payable, all such moneys shall be applied:

FIRST: To the payment to the Persons entitled thereto of all installments of interest then due on the Series 2024A Bonds (including without limitation Bonds purchased with a draw under a Credit Facility or a Liquidity Facility and interest draws under a Credit Facility honored by a Credit Facility Provider for which the Credit Facility Provider has not been reimbursed pursuant to the related Reimbursement Agreement), in the order of the maturity of the installments of such interest, and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the Persons entitled thereto without any discrimination or privilege;

SECOND: To the payment to the Persons entitled thereto of the unpaid principal (including unpaid premium, if any) of any of the Series 2024A Bonds (including without limitation Bonds purchased with a draw under a Credit Facility or a Liquidity Facility and principal draws under a Credit Facility honored by a Credit Facility Provider for which the Credit Facility Provider has not been reimbursed pursuant to the Reimbursement Agreement) which shall have become due (other than Series 2024A Bonds called for redemption for the payment of which moneys are held pursuant to the provisions of this Bond Indenture), in the order of their due dates, and, if the amount available shall not be sufficient to pay in full Series 2024A Bonds due on any particular date, then to the payment ratably, according to the amount of principal due on such date, to the Persons entitled thereto without any discrimination or privilege;

THIRD: To the payment of amounts, if any, payable pursuant to the Tax Exemption Agreement;

FOURTH: To the payment to the Persons entitled thereto of unpaid principal and interest due and owing on any Series 2024A Bonds, the payment of principal and interest of which has been extended in the manner described in Section 701 hereof; and

FIFTH: To the payment of amounts, if any, payable to the Credit Facility Provider pursuant to the Reimbursement Agreement or to the Purchaser pursuant to the Continuing Covenant Agreement or to the Bond Insurer in connection with the Bond Insurance Policy and Article XIV herein.

(b) If the principal of all the Series 2024A Bonds shall have become due or shall have been declared due and payable, all such moneys shall be applied:

FIRST: To the payment of the principal (including unpaid premium, if any) and interest then due and unpaid upon the Series 2024A Bonds (including without limitation Bonds purchased with a draw under a Credit Facility or a Liquidity Facility and interest draws under a Credit Facility honored by a Credit Facility Provider for which the Credit Facility Provider has not been reimbursed pursuant to the related Reimbursement Agreement), without preference or priority of principal or interest over the other, or of any installment of interest over any other installment of interest, or of any Series 2024A Bond over any other Series 2024A Bond, ratably, according to the amounts due respectively for principal and interest, to the Persons entitled thereto without any discrimination or privilege;

SECOND: To the payment of the principal (including unpaid premium, if any) and interest when due and unpaid upon Series 2024A Bonds (including without limitation Bonds purchased with a draw under a Credit Facility or a Liquidity Facility and principal draws under a Credit Facility honored by a Credit Facility Provider for which the Credit Facility Provider has not been reimbursed pursuant to the Reimbursement Agreement) with respect to which the payment of principal and interest has been extended as described in Section 701 hereof;

THIRD: To the payment of amounts, if any, payable pursuant to the Tax Exemption Agreement; and

FOURTH: To the payment of amounts, if any, payable to the Credit Facility Provider pursuant to the Reimbursement Agreement or to the Purchaser pursuant to the Continuing Covenant Agreement or to the Bond Insurer in connection with the Bond Insurance Policy and Article XIV herein.

(c) If the principal of all the Series 2024A Bonds shall have been declared due and payable, and if such declaration shall thereafter have been rescinded and annulled under the provisions of this Article, then, subject to the provisions of paragraph (b) of this Section in the event that the principal of all the Series 2024A Bonds shall later become due or be declared due and payable, the moneys shall be applied in accordance with the provisions of paragraph (a) of this Section.

Whenever moneys are to be applied by the Bond Trustee pursuant to the provisions of this Section, such moneys shall be applied by it at such times, and from time to time, as the Bond Trustee shall determine, having due regard for the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future. Whenever the Bond Trustee shall apply such moneys (which shall not include the application of moneys upon the occurrence of an acceleration pursuant to Section 703 hereof), it shall fix the date (which shall be an Interest Payment Date unless it shall deem another date more suitable, or, with respect to payments of Defaulted Interest, shall be such date as is required by the last paragraph of Section 202 hereof) upon which such application is to be made and upon such date interest on the amounts of principal to be paid on such dates shall cease to accrue. The Bond Trustee shall give such notice as it may deem appropriate of the deposit with it of any such moneys and of the fixing of any such date and of the Special Record Date by mailing a copy of such notice by first class mail to the registered owners of the Series 2024A Bonds, at least 10 days prior to the Special Record Date. The Bond Trustee shall not be required to make payment to the holder of any Series 2024A Bond until such Series 2024A Bond shall be presented to the Bond Trustee for appropriate endorsement or for cancellation if fully paid.

Whenever all Series 2024A Bonds and interest thereon have been paid under the provisions of this Section 707, all expenses and charges of the Bond Trustee have been paid and all amounts due and owing to the Liquidity Facility Provider, if any, and the Purchaser, if any, hereunder and under the Continuing Covenant Agreement, have been paid, any balance remaining shall be paid to the Persons entitled to receive the same; if no other Person shall be entitled thereto, then the balance shall be paid to the Corporation.

Section 708. Remedies Vested in Bond Trustee. All rights of action, including the right to file proof of claims under this Bond Indenture or under any of the Series 2024A Bonds, may be enforced by the Bond Trustee without the possession of any of the Series 2024A Bonds or the production thereof in any trial or other proceedings relating thereto and any such suit or proceeding instituted by the Bond Trustee shall be brought in its name as Bond Trustee without the necessity of joining as plaintiffs or defendants any holders of the Series 2024A Bonds, and any recovery of judgment shall be, except as provided in Section 701 hereof, for the equal benefit of the holders of the outstanding Series 2024A Bonds.

Section 709. Rights and Remedies of Bondholders. No holder of any Series 2024A Bond (other than the Credit Facility Provider, if any, or the Purchaser, if any) shall have any right to institute any suit, action or proceeding in equity or at law for the enforcement of this Bond Indenture or for the execution of any trust hereof or for the appointment of a receiver or any other remedy hereunder, unless a default shall have become an Event of Default and the Credit Facility Provider (if any), the Purchaser (if any) or the owners of not less than 25% in aggregate principal amount of Series 2024A Bonds then outstanding (including, without limitation, Liquidity Facility Bonds), with the prior written consent of the Credit Facility Provider (if any) or the Purchaser (if any), shall have made written request to the Bond Trustee and shall have offered it reasonable opportunity either to proceed to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name, and unless also they have offered to the Bond Trustee indemnity as provided in Section 801 hereof, and unless the Bond Trustee shall thereafter fail or refuse to exercise the power hereinbefore granted, or to institute such action, suit or proceeding in its own name; and such notification, request and offer of indemnity are hereby declared in every case at the option of the Bond Trustee to be conditions precedent to the execution of the powers and trusts of this Bond Indenture and to any action or cause of action for the enforcement of this Bond Indenture, or for the appointment of a receiver or for any other remedy hereunder; it being understood and intended that no one or more holders of the Series 2024A Bonds shall have any right in any manner whatsoever to affect, disturb or prejudice the lien of this Bond Indenture by any action or to enforce any right hereunder except in the manner herein provided, and that all proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided and for the equal benefit of the holders of all Series 2024A Bonds outstanding. Nothing in this Bond Indenture contained shall, however, affect or impair (a) the right of the Credit Facility Provider, the Purchaser or any other holder to enforce the payment of the principal of and interest on any Series 2024A Bond at and after the maturity thereof, or (b) the obligation of the Authority to pay the principal of and interest on each of the Series 2024A Bonds issued hereunder to the respective holders thereof at the time and place, from the source and in the manner in said Series 2024A Bonds expressed.

Section 710. Termination of Proceedings. In case the Bond Trustee shall have proceeded to enforce any right under this Bond Indenture by the appointment of a receiver, or otherwise, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Bond Trustee, then and in every case the Authority and the Bond Trustee shall, subject to any determination in such proceeding, be restored to their former positions and rights hereunder with respect to the property pledged and assigned hereunder, and all rights, remedies and powers of the Bond Trustee shall continue as if no such proceedings had been taken.

Section 711. Waiver of Events of Default. The Bond Trustee may, with the prior written consent of the Credit Facility Provider (if any) or the Purchaser (if any), or with the prior written consent of the holders of not less than 25% in aggregate principal amount of the Series 2024A Bonds then Outstanding hereunder (including, without limitation, Liquidity Facility Bonds), if no Credit Facility Provider or Purchaser, and shall, upon the written direction of the Credit Facility Provider (if any) or the Purchaser (if any) or the holders of not less than 25% in aggregate principal amount of the Series 2024A Bonds then Outstanding hereunder (including, without limitation, Liquidity Facility Bonds), if no Credit Facility Provider or Purchaser, waive any Event of Default hereunder and its consequences and rescind any declaration of maturity of principal, and shall do so, with the prior written consent of the Credit Facility Provider (if any) or

the Purchaser (if any) or the holders of not less than 25% in aggregate principal amount of the Series 2024A Bonds then Outstanding hereunder (including, without limitation, Liquidity Facility Bonds), if no Credit Facility Provider or Purchaser, upon being indemnified to its satisfaction and receipt of the written request of the holders of (a) at least a majority in aggregate principal amount of all the Series 2024A Bonds outstanding in respect of which default in the payment of principal and/or interest exists, or (b) at least a majority in aggregate principal amount of all the Series 2024A Bonds outstanding in the case of any other event of default; provided, however, that there shall not be waived (i) any Event of Default in the payment of the principal of any outstanding Series 2024A Bonds when due whether by mandatory redemption through the Bond Sinking Fund, at the Maturity Date specified therein or otherwise other than principal due upon an acceleration of the Series 2024A Bonds, (ii) any default in the payment when due of the interest on any such Series 2024A Bonds, other than accrued interest due solely as a result of an acceleration of the Series 2024A Bonds, or (iii) when the Series 2024A Bonds are in an Eligible Moneys Mode covered by a Credit Facility, any failure to have Eligible Moneys on deposit in the Interest Fund, Bond Sinking Fund or Redemption Fund on any date on which interest or principal is payable on such Eligible Bonds covered by the Credit Facility in an amount sufficient to make all payments of principal and interest becoming due on such date on such Eligible Bonds in an Eligible Moneys Mode covered by a Credit Facility, unless prior to such waiver or rescission the Credit Facility shall be reinstated to an amount equal to the Required Stated Amount and unless prior to such waiver or rescission all arrears of interest, with interest thereon (to the extent permitted by law) at the rate borne by the Series 2024A Bonds in respect of which such default shall have occurred on overdue installments of interest or all arrears of payments of principal when due, as the case may be, and all fees and expenses of the Bond Trustee, the Authority and any Paying Agent in connection with such default shall have been paid or provided for, including, but not limited to, the reasonable fees of their counsel.

In case of any such waiver or rescission or in case any proceeding taken by the Bond Trustee on account of any such default shall have been discontinued or abandoned or determined adversely, then and in every such case the Authority, the Bond Trustee and the Bondholders shall, subject to any determination in such proceeding, be restored to their former positions and rights hereunder respectively, but no such waiver or rescission shall extend to any subsequent or other default, or impair any right consequent thereon.

Section 712. Notice of Event of Default. Upon the occurrence of any Event of Default hereunder of which the Responsible Officer of the Bond Trustee has actual knowledge or is deemed to have knowledge, the Bond Trustee will promptly give written notice thereof to the Authority, the Credit Facility Provider (if any), the Liquidity Facility Provider (if any), the Purchaser (if any) and the Corporation setting forth the nature of such default. The foregoing notwithstanding, the giving of such notice shall not be considered a precondition to the Bond Trustee declaring the entire principal of the Series 2024A Bonds then outstanding due and payable.

ARTICLE VIII THE BOND TRUSTEE

Section 801. Acceptance of the Trusts. The Bond Trustee agrees to act as Bond Trustee, Paying Agent and Registrar hereunder and as Bond Trustee under the Tax Exemption Agreement and accepts and agrees to execute the trusts imposed upon it by this Bond Indenture,

but only upon the terms and conditions set forth herein. The Bond Trustee, prior to the occurrence of an Event of Default and after the curing of all Events of Default which may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in this Bond Indenture; the Bond Trustee shall not be liable in connection with the performance of such duties, except for its own gross negligence or willful misconduct, and no implied covenants or obligations should be read into this Bond Indenture against the Bond Trustee. If any Event of Default under this Bond Indenture shall have occurred and be continuing, the Bond Trustee shall exercise such of the rights and powers vested in it by this Bond Indenture and shall use the same degree of care as a prudent person would exercise or use in the circumstances in the conduct of such prudent person's own affairs. The Bond Trustee agrees to perform such trusts only upon and subject to the following expressed terms and conditions:

(a) The Bond Trustee may execute any of the trusts or powers hereof and perform any of its duties by or through attorneys, agents or receivers, and shall not be answerable for the conduct of the same if appointed in accordance with the standard specified above, and shall be entitled to advice of counsel concerning all matters of trusts hereof and duties hereunder, and may in all cases pay such reasonable compensation to any attorney, agent, receiver or employee retained or employed by it in connection herewith. The Bond Trustee may act upon the opinion or advice of an attorney, surveyor, consultant, engineer or accountant selected by it in the exercise of reasonable care or selected or retained by the Authority. The Bond Trustee shall not be responsible for any loss or damage resulting from any action or nonaction based on its good faith reliance upon such opinion or advice.

(b) The Bond Trustee shall not be responsible for any recital herein, or in the Series 2024A Bonds (except with respect to the certificate of the Bond Trustee endorsed on the Series 2024A Bonds), or for the investment of moneys as herein permitted (except that no investment shall be made except in compliance with Section 406 hereof), or for the recording or re-recording, filing or re-filing of this Bond Indenture, or any supplement or amendment thereto, or the filing of financing statements (except as required under Section 604 hereof), or for the validity of the execution by the Authority of this Bond Indenture, or of any supplemental indentures or instruments of further assurance, or for the sufficiency of the security for the Series 2024A Bonds issued hereunder or intended to be secured hereby, or for the value or title of the property herein conveyed or otherwise as to the maintenance of the security hereof. The Bond Trustee may (but shall be under no duty to) require of the Authority and the Corporation full information and advice as to the performance of the covenants, conditions and agreements in the Loan Agreement or in any Continuing Covenant Agreement. Except as otherwise provided in Section 704 hereof, the Bond Trustee shall have no obligation to perform any of the duties of the Authority under the Loan Agreement.

(c) The Bond Trustee shall not be accountable for the use or application by the Authority or the Corporation of any of the Series 2024A Bonds or the proceeds thereof or for the use or application of any money paid over by the Bond Trustee in accordance with the provisions of this Bond Indenture or for the use and application of money received by any Paying Agent (except when the Bond Trustee acts as Paying Agent). The Bond Trustee may become the owner of Series 2024A Bonds secured hereby with the same rights it would have if not Bond Trustee.

(d) The Bond Trustee may conclusively rely upon and shall be fully protected in acting upon any notice, order, requisition, request, consent, certificate, order, opinion (including an opinion of Independent Counsel), affidavit, letter, telegram, electronic mail or other paper or document in good faith deemed by it to be genuine and correct and to have been signed or sent by the proper person or persons. Any action taken by the Bond Trustee pursuant to this Bond Indenture upon the request or authority or consent of any person who at the time of making such request or giving such authority or consent is the owner of any Series 2024A Bond, shall be conclusive and binding upon all future owners of the same Series 2024A Bond and upon Series 2024A Bonds issued in exchange therefor or in place thereof.

(e) As to the existence or non-existence of any fact or as to the sufficiency or validity of any instrument, paper or proceeding, the Bond Trustee shall be entitled to conclusively rely upon a certificate signed on behalf of the Authority by its Chairperson or Vice Chairperson or its Executive Director or Associate Executive Director as sufficient evidence of the facts therein contained and prior to the occurrence of a default of which the Bond Trustee has been notified as provided in subsection (g) of this Section, or of which by said subsection it is deemed to have notice, may accept a similar certificate to the effect that any particular dealing, transaction or action is necessary or expedient, but may in its discretion secure such further evidence deemed necessary or advisable, but shall in no case be bound to secure the same. The Bond Trustee may accept a certificate of an Authorized Officer of the Authority under its seal to the effect that a resolution or ordinance in the form therein set forth has been adopted by the Authority as conclusive evidence that such resolution or ordinance has been duly adopted and is in full force and effect.

(f) The permissive right of the Bond Trustee to do things enumerated in this Bond Indenture shall not be construed as a duty and the Bond Trustee shall not be answerable for other than its gross negligence or willful default.

(g) The Bond Trustee shall not be required to take notice or be deemed to have notice of any default hereunder except failure by the Authority to cause to be made any of the payments to the Bond Trustee required to be made by Article IV unless a Responsible Officer of the Bond Trustee shall be specifically notified in writing of such default by the Authority, the Credit Facility Provider or by the holders of at least 25% in aggregate principal amount of all Series 2024A Bonds then outstanding and all notices or other instruments required by this Bond Indenture to be delivered to the Bond Trustee must, in order to be effective, be delivered at the Principal Office of the Bond Trustee and, in the absence of such notice so delivered, the Bond Trustee may conclusively assume there is no default except as aforesaid.

(h) The Bond Trustee shall not be personally liable for any debts contracted or for damages to persons or to personal property injured or damaged, or for salaries or nonfulfillment of contracts during any period in which it may be in possession of or managing the Property of any Member of the Obligated Group.

(i) At any and all reasonable times, the Credit Facility Provider (if any), the Bond Trustee and its duly authorized agents, attorneys, experts, engineers, accountants

and representatives, shall have the right fully to inspect any and all books, papers and records of the Authority pertaining to the Series 2024A Bonds, and to take such memoranda from and in regard thereto as may be desired.

(j) The Bond 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.

(k) Notwithstanding anything elsewhere in this Bond Indenture contained, the Bond Trustee shall have the right, but shall not be required, to demand, in respect of the authentication of any Series 2024A Bonds, the withdrawal of any cash, the release of any property, or any action whatsoever within the purview of this Bond Indenture, any showings, certificates, opinions, appraisals or other information, or corporate action or evidence thereof, in addition to that by the terms hereof required as a condition of such action by the Bond Trustee deemed reasonably necessary for the purpose of establishing the right of the Authority to the authentication of any Series 2024A Bonds, the withdrawal of any cash, the release of any property or the taking of any other action by the Bond Trustee.

(l) Before taking any action under Articles VII or VIII of this Bond Indenture other than making payments of principal and purchase price of and interest on the Series 2024A Bonds as the same becomes due or causing an acceleration of the Series 2024A Bonds or making a draw under the Liquidity Facility (if any) or Credit Facility (if any) whenever required by this Bond Indenture or calling or effecting a mandatory tender or redemption of the Series 2024A Bonds, the Bond Trustee may require that indemnity satisfactory to it be furnished by the Corporation for the reimbursement of all expenses to which it may be put and to protect it against all liability, which may be incurred in connection with any action so taken, including, but not limited to any present or future federal, state or local law, statute, ordinance, rule or regulation relating to hazardous substances or the protection of the environment, except liability which is adjudicated to have resulted from its gross negligence or willful default in connection with any action so taken.

(m) All moneys received by the Bond Trustee or any Paying Agent shall, until used or applied or invested as provided in this Bond Indenture, be held in trust for the purposes for which they were received but need not be segregated from other funds except to the extent required by law, by this Bond Indenture. Neither the Bond Trustee nor any Paying Agent shall be under any liability for interest on any moneys received hereunder except such as may be agreed upon in writing by the Bond Trustee or any Paying Agent, as applicable.

(n) Notwithstanding the effective date of this Bond Indenture or anything to the contrary in this Bond Indenture, the Bond Trustee shall have no liability or responsibility for any act or event relating to this Bond Indenture which occurs prior to the date the Bond Trustee formally executes this Bond Indenture and commences acting as Bond Trustee hereunder.

(o) The Bond Trustee shall have no responsibility with respect to any information, statement or recital in any official statement, offering memorandum or any other disclosure material prepared or distributed with respect to the Series 2024A Bonds, except for any information provided by the Bond Trustee, and shall have no responsibility for compliance with any state or federal securities laws in connection with the Series 2024A Bonds.

(p) The Bond Trustee shall have the right to accept and act upon instructions or directions pursuant to this Bond Indenture and delivered using Electronic Means, provided, however, that the Corporation shall provide to the Bond Trustee an incumbency certificate listing designated persons with the authority to provide such instructions and containing specimen signatures of such designated persons, which incumbency certificate shall be amended whenever a person is to be added or deleted from the listing. If the Corporation elects to give the Bond Trustee instructions using Electronic Means and the Bond Trustee in its discretion elects to act upon such instructions, the Bond Trustee's understanding of such instructions shall be deemed controlling. The Corporation understands and agrees that the Bond Trustee cannot determine the identity of the actual sender of such instructions and that the Bond Trustee shall conclusively presume that directions that purport to have been sent by an authorized officer listed on the incumbency certificate provided to the Bond Trustee have been sent by such authorized officer. The Corporation shall be responsible for ensuring that only authorized officers transmit such instructions to the Bond Trustee and that the Corporation and all authorized officers are solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt by the Corporation. The Bond Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Bond Trustee's reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction. The Corporation agrees to assume all risks arising out of the use of such Electronic Means to submit instructions and directions to the Bond Trustee, including without limitation the risk of the Bond Trustee acting on unauthorized instructions, and the risk of interception and misuse by third parties.

(q) None of the provisions of this Bond Indenture shall require the Bond Trustee to expend or risk its own funds or otherwise to incur any liability, financial or otherwise, in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers if it shall have reasonable grounds for believing that repayment of such funds or indemnity satisfactory to it against such risk or liability is not assured to it.

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

(s) The Bond Trustee has no duty or obligation to review the financial information or reports provided to it by the Corporation in accordance with Section 7.4 of the Loan Agreement and the receipt of such information shall not constitute constructive or actual notice of any information contained therein or determinable from information contained therein. The Bond Trustee shall hold such reports solely as a repository on behalf of Bondholders. If any Bondholder requests to review or receive a copy of any such information, the Bond Trustee shall without further direction or consent be protected in providing such information to all Bondholders.

(t) The Bond Trustee shall be under no responsibility to approve or evaluate any expert or other skilled person selected by the Authority or the Corporation for any of the purposes expressed in this Bond Indenture, the Loan Agreement, or the Tax Exemption Agreement.

(u) The Bond Trustee may conclusively rely upon a certificate furnished by the Purchaser as to amounts owing under any Continuing Covenant Agreement or upon a certificate of the Credit Facility Provider or the Liquidity Provider, as applicable, as to amounts owing under any Reimbursement Agreement.

(v) Neither the Bond Trustee nor the Paying Agent shall be under any obligation (i) to monitor, determine or verify the unavailability or cessation of Term SOFR, the SIFMA Municipal Index or any other applicable Index, or to determine whether or when there has occurred, or to give notice to any other transaction party of the occurrence of, any circumstances permitting or requiring the selection of a replacement index, (ii) to select, determine or designate any replacement Index, or determine whether any conditions to the designation of such a rate have been satisfied, (iii) to select, determine or designate any Applicable Factor or Applicable Spread or other modifier to any applicable Index, or (iv) to determine whether or what amendments to this Bond Indenture or the Loan Agreement are necessary or advisable, if any, in connection with any of the foregoing. Neither the Bond Trustee nor the Paying Agent shall be liable for any inability, failure or delay on its part to perform any of its duties set forth in this Bond Indenture as a result of the unavailability of Term SOFR, the SIFMA Municipal Index, or other applicable Index and absence of a designated replacement Index, including as a result of any inability, delay, error or inaccuracy on the part of any other transaction party, including without limitation the Purchaser, the Corporation, the Authority, the Remarketing Agent, the Market Agent or the Index Agent, in providing any direction, instruction, notice or information required or contemplated by the terms of this Bond Indenture and reasonably required for the performance of such duties. Neither the Bond Trustee nor the Paying Agent shall be responsible or liable for the actions or omissions of the Purchaser, the Corporation, the Authority, the Remarketing Agent, the Market Agent or the Index Agent, nor shall they be under any obligation to oversee or monitor performance by such parties of their duties hereunder; and each of the Bond Trustee and the Paying Agent shall be entitled to rely conclusively upon, any determination made, and any instruction, notice, officer certificate, or other instrument or information provided, by the Purchaser, the Corporation, the Authority, the Remarketing Agent, the Market Agent or the Index Agent, without independent verification, investigation or inquiry of any kind by the Bond Trustee or Paying Agent.

Section 802. Fees, Charges and Expenses of Bond Trustee and any Additional Paying Agent. The Bond Trustee, the Bond Registrar and the Authority shall be entitled to payment and/or reimbursement by the Corporation for reasonable fees and expenses for their respective services rendered hereunder (including services as Paying Agent, Tender Agent and Authenticating Agent) and under the Tax Exemption Agreement and all advances, counsel fees and other expenses reasonably and necessarily made or incurred by the Bond Trustee in connection with such services. Any additional Paying Agent shall be entitled to payment and reimbursement for its reasonable fees and charges as additional Paying Agent for the Series 2024A Bonds. Upon an Event of Default, but only upon an Event of Default, the Bond Trustee and any additional Paying Agent shall have a right of payment by the Corporation prior to payment on account of interest or principal of, or premium, if any, on any Series 2024A Bond for the foregoing advances, fees, costs and expenses incurred; *provided, however*, that in no event shall the Bond Trustee or any such additional Paying Agent have any such prior right of payment or claim therefor against moneys or obligations deposited with or paid to the Bond Trustee for the redemption or payment of Series 2024A Bonds which are deemed to have been paid in accordance with Article XI hereof; *provided further* that the Bond Trustee and any such Paying Agent shall not have a prior right to payment from any amounts drawn under the Credit Facility or the Liquidity Facility, and any amount drawn under the Credit Facility or the Liquidity Facility shall be applied solely to pay the principal of and interest on the Eligible Bonds or to pay the purchase price of tendered Eligible Bonds, as applicable; *provided further* that the Bond Trustee and any such Payment Agent shall not have a prior right or payment or claim therefor against any proceeds of the remarketing of Series 2024A Bonds. The foregoing notwithstanding, any obligation of the Authority pursuant to this Section 802 is expressly limited as described in Section 203 hereof.

Section 803. Notice to Bondholders If Default Occurs. If a default occurs of which the Bond Trustee is by subsection (g) of Section 801 hereof required to take notice or if notice of default be given as in said subsection (g) provided, then the Bond Trustee shall give written notice thereof by mail to the last known owners of all Series 2024A Bonds then outstanding shown by the Bond Register.

Section 804. Intervention by Bond Trustee. In any judicial proceeding to which the Authority, the Corporation or any other Member of the Obligated Group is a party and which in the opinion of the Bond Trustee and its counsel has a substantial bearing on the interests of owners of the Series 2024A Bonds, the Bond Trustee may intervene on behalf of Bondholders and, subject to the provisions of Section 801(1), shall do so if requested in writing by the owners of at least 25% in aggregate principal amount of all Series 2024A Bonds then outstanding. The rights and obligations of the Bond Trustee under this Section are subject to the approval of a court of competent jurisdiction.

Section 805. Successor Bond Trustee. Any corporation or association into which the Bond Trustee may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer its municipal corporate trust business as a whole or substantially as a whole, or any corporation or association resulting from any such conversion, sale, merger, consolidation or transfer to which it is a party, provided such corporation or association is otherwise eligible under Section 806, shall be and become successor Bond Trustee hereunder and under the Tax Exemption Agreement, vested with all of the title to the whole property or trust estate and all the trusts, powers, discretions, immunities, privileges and all other matters as was its predecessor,

without the execution or filing of any instrument or any further act, deed or conveyance on the part of any of the parties hereto, anything herein to the contrary notwithstanding. Any successor Bond Trustee must meet the eligibility requirements set forth in Section 806 hereof.

Section 806. Bond Trustee Required: Eligibility. There shall at all times be a Bond Trustee hereunder which shall be a bank or trust company organized under the laws of the United States of America or the State, authorized to exercise corporate trust powers, subject to supervision or examination by federal or state authorities, and having a reported combined capital and surplus of not less than \$75,000,000 or, alternatively a liability policy having the type of coverage and in an amount acceptable to the Authority and the Corporation. The Bond Trustee must also have an operations group of at least four (4) experienced trust officers, with primary responsibility for municipal bond issues. The Bond Trustee must also administer at least 25 municipal bond indentures aggregating at least \$25,000,000. If at any time the Bond Trustee shall cease to be eligible in accordance with the provisions of this Section, it shall resign immediately in the manner provided in Section 807 hereof. No resignation or removal of the Bond Trustee and no appointment of a successor Bond Trustee shall become effective until the successor Bond Trustee has full rights to draw on the Credit Facility (if any) and the Liquidity Facility (if any), all outstanding fees and expenses of the prior Bond Trustee have been paid or provided for and the successor Bond Trustee has accepted its appointment under Section 810 hereof.

Section 807. Resignation by the Bond Trustee. Subject to Section 806 hereof, the Bond Trustee and any successor Bond Trustee may at any time upon 30 days' prior notice resign from the trusts created by this Bond Indenture and the Tax Exemption Agreement by executing any instrument in writing resigning such trusts and specifying the date when such resignation shall take effect, and filing the same with the Authority and the Corporation not less than 45 days before the date specified in such instrument when such resignation shall take effect, and by giving notice of such resignation by first class mail, postage prepaid, not less than 20 days prior to such resignation date, to each registered owner of Series 2024A Bonds then outstanding, as shown by the Bond Register. Notwithstanding the foregoing, a resignation is effective only upon the appointment of a successor or temporary Bond Trustee and the successor or temporary Bond Trustee's acceptance of its appointment.

Section 808. Removal of the Bond Trustee. Subject to Section 806 hereof, the Bond Trustee may be removed at any time upon 30 days' prior notice, by an instrument or concurrent instruments in writing delivered to the Bond Trustee, the Corporation and the Authority, and signed by the owners of a majority in aggregate principal amount of Series 2024A Bonds then outstanding. So long as no Event of Default has occurred and is continuing under this Bond Indenture or the Loan Agreement, the Bond Trustee may be removed at any time by an instrument or concurrent instruments in writing signed by the Corporation consented to in writing by the Authority and delivered to the Bond Trustee. The foregoing notwithstanding, the Bond Trustee may not be removed by the Corporation unless written notice of the delivery of such instrument or instruments signed by the Authority is mailed to the owners of all Series 2024A Bonds outstanding under this Bond Indenture, which notice indicates the Bond Trustee will be removed and replaced by the successor trustee named in such notice, such removal and replacement to become effective on the 90th day next succeeding the date of such notice, unless the owners of not less than ten percent (10%) in aggregate principal amount of such Series 2024A Bonds then outstanding under this Bond Indenture shall object in writing to such removal

and replacement. Such notice shall be mailed by first class mail postage prepaid to the owners of all such Series 2024A Bonds then outstanding at the address of such owners then shown on the Bond Register. Notwithstanding the foregoing, a removal is effective only upon the appointment of a successor or temporary Bond Trustee, the successor or temporary Bond Trustee's acceptance of its appointment and the transfer by the Credit Facility Provider (if any) and the Liquidity Facility Provider (if any) of the rights to draw on the Credit Facility and the Liquidity Facility, as applicable, to the successor or temporary Bond Trustee.

Section 809. Appointment of Successor Bond Trustee by the Bondholders: Temporary Bond Trustee. In the event that the Bond Trustee hereunder shall give notice of resignation or be removed, or be dissolved, or shall be in the course of dissolution or liquidation, or otherwise become incapable of acting hereunder, or in case it shall be taken under the control of any public office or offices, or of a receiver appointed by a court, a successor may with the prior written consent of the Corporation (to the extent that no "Event of Default" shall have occurred and be continuing under the Loan Agreement), be appointed by the owners of a majority in aggregate principal amount of Series 2024A Bonds then Outstanding, by an instrument or concurrent instruments in writing signed by such owners, or by their duly authorized attorneys in fact, a copy of which shall be delivered personally or sent by first class mail, postage prepaid, to the Authority, retiring Bond Trustee, successor Bond Trustee and Corporation. Pending such appointment by the Bondholders, the Authority may, with the consent of the Corporation (to the extent that no "Event of Default" shall have occurred and be continuing under the Loan Agreement), appoint a temporary successor Bond Trustee by an instrument in writing signed by an authorized officer of the Authority, a copy of which shall be delivered personally or sent by first class mail, postage prepaid, to the retiring Bond Trustee, successor Bond Trustee and the Corporation. Any successor Bond Trustee must meet the eligibility requirements set forth in Section 806 hereof.

If the registered owners and the Authority fail to so appoint a successor Bond Trustee hereunder within forty-five (45) days after the Bond Trustee has given notice of its resignation, has been removed, has been dissolved, has otherwise become incapable of acting hereunder or has been taken under control by a public officer or receiver, the Bond Trustee shall have the right to petition a court of competent jurisdiction to appoint a successor hereunder. Every such Bond Trustee appointed pursuant to the provisions of this Section 809 shall be a trust company or bank organized and in good standing under the laws of Wisconsin or any other state of the United States of America or the District of Columbia and have a combined capital and surplus of not less than \$75,000,000 as set forth in its most recent published annual report of condition.

No appointment of a successor Bond Trustee pursuant this Section shall become effective until, the successor Bond Trustee has full rights to draw on the Credit Facility (if any) and the Liquidity Facility (if any).

Section 810. Concerning Any Successor Bond Trustees. Every successor Bond Trustee appointed hereunder shall execute, acknowledge and deliver to its predecessor and also to the Authority an instrument in writing accepting such appointment hereunder and under the Tax Exemption Agreement, and thereupon such successor, without any further act, deed or conveyance, shall become fully vested with all the estates, properties, rights, powers, trusts, duties and obligations of its predecessor; but such predecessor shall, nevertheless, on the written request of the Authority, or of its successor, execute and deliver an instrument transferring to

such successor Bond Trustee all the estates, properties, rights, powers and trusts of such predecessor hereunder under the Tax Exemption Agreement; and every predecessor Bond Trustee shall deliver all securities and moneys held by it as Bond Trustee hereunder to its successors. Should any instrument in writing from the Authority be required by any successor Bond Trustee for more fully and certainly vesting in such successor the estate, rights, powers and duties hereby vested or intended to be vested in the predecessor, any and all such instruments in writing shall, on request, be executed, acknowledged and delivered by the Authority. The resignation of any Bond Trustee and the instrument or instruments removing any Bond Trustee and appointing a successor hereunder, together with all other instruments provided for in this Article shall be filed and/or recorded by the successor Bond Trustee in each recording office, if any, where this Bond Indenture shall have been filed and/or recorded.

Section 811. Bond Trustee Protected in Relying Upon Resolution, Etc. The resolutions, opinions, certificates and other instruments provided for in this Bond Indenture may be accepted by the Bond Trustee as conclusive evidence of the facts and conclusions stated therein and shall be full warrant, protection and authority to the Bond Trustee for the release of property and the withdrawal of cash hereunder.

Section 812. Successor Bond Trustee as Trustee of Funds, Paying Agent, Tender Agent and Bond Registrar. In the event of a change in the office of Bond Trustee, the predecessor Bond Trustee which has resigned or been removed shall cease to be trustee of the Revenue Fund, Interest Fund, Bond Sinking Fund, Redemption Fund, Expense Fund and any other funds provided hereunder and shall cease to be the Bond Registrar and Paying Agent for principal of, premium, if any, and interest on the Series 2024A Bonds and the successor Bond Trustee shall become such Bond Trustee, Bond Registrar and Paying Agent unless a separate Paying Agent or Agents are appointed by the Authority in connection with the appointment of any successor Bond Trustee.

Section 813. Representations, Warranties and Covenants of the Bond Trustee. The Bond Trustee and any successor Bond Trustee hereby make the representations, warranties and covenants contained in this Section 813. All Federal, State and local governmental, public, and regulatory authority approvals, consents, notices, authorizations, registrations, licenses, exemptions, and filings that are required to have been obtained or made by the Bond Trustee with respect to the authorization, execution, delivery, and performance by, or the enforcement against or by, the Bond Trustee of this Bond Indenture have been obtained and are in full force and effect and all conditions of such approvals, consents, notices, authorizations, registrations, licenses, exemptions, and filings have been fully complied with. The Bond Trustee meets the eligibility requirements of Section 806 of this Bond Indenture.

ARTICLE IX SUPPLEMENTAL BOND INDENTURES

Section 901. Supplemental Bond Indentures Not Requiring Consent of Bondholders. Subject to the limitation set forth in Section 902 hereof with respect to this Section 901, the Authority and the Bond Trustee may, with the written consent of the Credit Facility Provider, if a Credit Facility will be effective when any such supplement will be effective, but without the consent of, or notice to, any of the Bondholders (other than the written consent of the Purchaser while the Series 2024A Bonds are in a Bank Fixed Mode or a Bank Index Mode), enter into an

indenture or indentures supplemental to this Bond Indenture, as shall not be inconsistent with the terms and provisions hereof, for any one or more of the following purposes:

- (a) to cure any ambiguity or formal defect or omission in this Bond Indenture;
- (b) to grant to or confer upon the Bond Trustee for the benefit of the Bondholders any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the Bondholders and the Bond Trustee, or either of them;
- (c) to assign and pledge under this Bond Indenture additional revenues, properties or collateral or to provide for the use of a Liquidity Facility including during any Mode with respect to which such a Facility is not required under the terms of this Bond Indenture;
- (d) to evidence the appointment of a separate co-bond trustee or the succession of a new bond trustee hereunder;
- (e) to permit the qualification of this Bond Indenture under the Trust Indenture Act of 1939, as then amended, or any similar federal statute hereafter in effect or to permit the qualification of the Series 2024A Bonds for sale under the securities laws of any state of the United States;
- (f) to permit the issuance of coupon bonds hereunder and to permit the exchange of Series 2024A Bonds from registered form to coupon form and vice versa;
- (g) to provide for the refunding or advance refunding of any Series 2024A Bonds, including providing for the establishment and administration of an escrow fund and the taking of related action in connection therewith;
- (h) to permit continued compliance with the Tax Exemption Agreement;
- (i) to provide for the utilization of a Substitute Credit Facility if the Bond Trustee has received a Favorable Opinion of Bond Counsel and, if such Substitute Credit Facility is a letter of credit, if the Bond Trustee has also received an unqualified opinion of nationally recognized bankruptcy counsel selected by the Corporation to the effect that such amendment or utilization would not result in payments of principal of and interest on the Series 2024A Bonds being classified as avoidable preferences within the meaning of Section 547 of the United States Bankruptcy Code in the event of a filing of a petition thereunder by or against the Authority or any Member of the Obligated Group; and
- (j) upon conversion of the Series 2024A Bonds into any new Mode, to modify this Bond Indenture in such manner to reflect changes necessary for the latest and best practices for such new Mode if such amendments are effective only after the mandatory tender of all Series 2024A Bonds as a result of such Mode Change Date.

In executing, or accepting the additional trusts created by, any supplemental Bond Indenture permitted by this Article or the modification thereby of the trusts created by this Bond Indenture, the Bond Trustee and the Authority shall receive, and shall be fully protected in relying upon, a Favorable Opinion of Bond Counsel.

Section 902. Supplemental Bond Indentures Requiring Consent of Bondholders. In addition to supplemental indentures covered by Section 901 hereof and subject to the terms and provisions contained in this Section, and not otherwise, the holders of not less than a majority in aggregate principal amount of the Series 2024A Bonds which are outstanding hereunder at the time of the execution of such indenture or supplemental indenture, with the written consent of the Credit Facility Provider (if any) or the Purchaser (if any), shall have the right, from time to time, anything contained in this Bond Indenture to the contrary notwithstanding, to consent to and approve the execution by the Authority and the Bond Trustee of such other indenture or indentures supplemental hereto as shall be deemed necessary and desirable by the Authority for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in this Bond Indenture or in any supplemental indenture; provided, however, that except as set forth in the next proviso, the Credit Facility Provider (if any) may consent to such amendment on behalf of the holders of the Series 2024A Bonds so long as the Credit Facility Provider has not lost any of its rights pursuant to Section 1312 hereof; and provided further that nothing contained in this Section or in Section 901 hereof shall permit, or be construed as permitting, a supplemental indenture to effect: (a) an extension of the stated maturity or reduction in the principal amount of, or reduction in the rate or extension of the time of paying of interest on, or reduction of any premium payable on the redemption of, any Series 2024A Bonds, without the consent of the holders of such Series 2024A Bonds; (b) a reduction in the amount or extension of the time of any payment required to be made to or from the Interest Fund or the Bond Sinking Fund; (c) the creation of any lien prior to or on a parity with the lien of this Bond Indenture on the property described in the Granting Clauses of this Bond Indenture or the deprivation of any Bondholder of the lien created by this Bond Indenture on such property, without the consent of the holders of all the Series 2024A Bonds at the time outstanding; (d) a reduction in the aforesaid aggregate principal amount of Series 2024A Bonds the holders of which are required to consent to any such supplemental indenture, without the consent of the holders of all the Series 2024A Bonds at the time outstanding which would be affected by the action to be taken; or (e) a modification of the rights, duties or immunities of the Bond Trustee, without the written consent of the Bond Trustee; and provided further that no such amendment affecting the Series 2024A Bonds shall become effective until approved in writing by the Credit Facility Provider, if any.

If at any time the Authority shall request in writing the Bond Trustee to enter into any such supplemental indenture for any of the purposes of this Section, the Bond Trustee shall, upon being satisfactorily indemnified with respect to expenses, cause notice of the proposed execution of such supplemental indenture to be mailed to the Credit Facility Provider (if any) and to each holder of Series 2024A Bonds as shown on the registration books of the Bond Trustee. Such notice shall be prepared by the Authority or the Corporation, shall briefly set forth the nature of the proposed supplemental indenture and shall state that copies thereof are on file at the Principal Office of the Bond Trustee for inspection by all Bondholders. The Bond Trustee shall not, however, be subject to any liability to any Bondholder by reason of its failure to mail such notice, and any such failure shall not affect the validity of such supplemental indenture when consented to and approved as provided in this Section. If the holders of the requisite principal amount of Series 2024A Bonds which are outstanding hereunder at the time of the execution of any such supplemental indenture shall have consented to and approved the execution thereof as herein provided, no holder of any Series 2024A Bond shall have any right to object to any of the terms and provisions contained therein, or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Bond Trustee or the Authority from

executing the same or from taking any action pursuant to the provisions thereof. Upon the execution of any such supplemental indenture as in this Section permitted and provided, this Bond Indenture shall be and be deemed to be modified and amended in accordance therewith.

Section 903. Consent of Corporation. Anything herein to the contrary notwithstanding, so long as the Members of the Obligated Group are not in default under the Master Indenture and the Corporation is not in default under the Loan Agreement, a supplemental indenture under this Article IX shall not become effective unless and until the Corporation shall have consented in writing to the execution and delivery of such supplemental indenture. In this regard, the Bond Trustee shall cause notice of the proposed execution and delivery of any such supplemental indenture to which the Corporation has not already consented, together with a copy of the proposed supplemental indenture and a written consent form to be signed by the Corporation, to be mailed by certified or registered mail to the Corporation at least thirty days prior to the proposed date of execution and delivery of any such supplemental indenture; provided, however, the Bond Trustee shall only be required to provide such notice if the Bond Trustee is provided with a copy of the proposed amendment, change or modification in a timely manner. The Bond Trustee shall not, however, be subject to any liability to the Corporation by reason of its failure to mail such notice, and any such failure shall not affect the validity of such supplemental indenture.

Section 904. Opinion. In connection with a supplemental indenture under this Article IX, the Corporation shall deliver to the Bond Trustee an Opinion of Counsel to the effect that such supplemental indenture is authorized and permitted pursuant to the terms of this Bond Indenture and that such supplemental indenture will not, in and of itself, adversely affect the validity of the Series 2024A Bonds or any exclusion from gross income for federal income tax purposes to which interest on the Bonds would otherwise be entitled.

Section 905. Consent of Bond Insurer. Notwithstanding anything to the contrary contained herein, any provision of this Bond Indenture expressly recognizing or granting rights in or to the Bond Insurer may not be amended in any manner that affects the rights of the Bond Insurer hereunder without the prior written consent of the Bond Insurer. In addition, the consent of the Bond Insurer shall be required for any amendment or supplement to the extent provided in Article XIV hereof.

ARTICLE X AMENDMENTS TO THE CERTAIN OF THE CORPORATIONS'S DOCUMENTS

Section 1001. Amendments, Etc. to Loan Agreement Not Requiring Consent. The Authority and the Corporation, with the written consent of the Bond Trustee and the Credit Facility Provider if the Credit Facility will be effective when any such supplement will be effective, but without the consent of or notice to the holders of the Series 2024A Bonds (other than the written consent of the Purchaser while the Series 2024A Bonds are in a Bank Fixed Mode or a Bank Index Mode), consent to any amendment, change or modification of the Loan Agreement as may be required (a) by the provisions of this Bond Indenture or the Loan Agreement, (b) for the purpose of curing any ambiguity or formal defect or omission, (c) to provide for the utilization of a Substitute Credit Facility, if the Bond Trustee has also received a Favorable Opinion of Bond Counsel, (d) in connection with any Mode Change Date to reflect the latest and best practices for such new Mode and if such changes or modifications are effective

only after the mandatory tender of all Series 2024A Bonds as a result of such Mode Change Date, (c) in connection with any other change therein which does not materially adversely affect the rights of the Bond Trustee or the holders of the Series 2024A Bonds, the Authority, the Corporation, the Credit Facility Provider and the Liquidity Facility Provider (if any), or (f) for the purpose of complying with the provisions of the Tax Exemption Agreement, provided, however, that nothing in this Section 1001 shall permit, or be construed as permitting, any amendment, change or modification of the Loan Agreement that may result in anything described in the lettered clauses of Section 902 hereof, without the consent of each Bondholder affected. In addition, subject to the terms and provisions contained in Section 1003 hereof, the Bond Trustee may grant such waivers of compliance by the Corporation with the provisions of the Loan Agreement as to which the Bond Trustee may deem necessary or desirable to effectuate the purposes of the intent of the Loan Agreement; provided that the Bond Trustee shall file with the Authority any and all such waivers granted by the Bond Trustee within three (3) Business Days thereof.

If at any time the Corporation shall request the Authority and the Bond Trustee to consent to any amendment pursuant to subsection (d) above, the Bond Trustee shall cause notice prepared by the Corporation of the proposed execution of such amendment, change or modification to the Loan Agreement to be given to any Rating Agency then maintaining a rating on any of the Series 2024A Bonds in the manner provided in Section 1304 hereof at least 10 days prior to the execution of such amendment, change or modification to the Loan Agreement, which notice shall include a copy of the proposed amendment, change or modification. The Bond Trustee may decline in its discretion to consent to any amendment, change or modification to the Loan Agreement pursuant to this Section 1001 or Section 1002 of this Bond Indenture, that modifies its rights, duties or immunities under the Loan Agreement unless it receives a Favorable Opinion of Bond Counsel.

Section 1002. Amendments, Etc. to Loan Agreement Requiring Consent of Bondholders. Except for the amendments, changes or modifications as provided in Section 1001 hereof, neither the Authority, the Corporation nor the Bond Trustee shall consent to any other amendment, change or modification of the Loan Agreement without the written approval or consent, given and procured as in this Section provided, of the holders of not less than a majority in aggregate principal amount of the Series 2024A Bonds which are outstanding hereunder at the time of execution of any such amendment, change or modification, including the Purchaser while the Series 2024A Bonds are in a Bank Fixed Mode or a Bank Index Mode; provided, however, that nothing in this Section 1002 shall permit, or be construed as permitting, any amendment, change or modification of the Loan Agreement that may result in any amendment, change or modification described in the lettered clauses of Section 902 hereof without the consent of each Bondholder affected. If at any time the Authority and the Corporation shall request the consent of the Bond Trustee to any such proposed amendment, change or modification of the Loan Agreement, the Bond Trustee shall, upon being satisfactorily indemnified with respect to expenses, cause notice of such proposed amendment, change or modification to be given in the same manner as provided by Section 902 hereof with respect to supplemental indentures. Such notice shall be prepared by the Corporation or the Authority, shall briefly set forth the nature of such proposed amendment, change or modification and shall state that copies of the instrument embodying the same are on file at the Principal Office of the Bond Trustee for inspection by all Bondholders. The Bond Trustee shall not, however, be subject to any liability to any Bondholder by reason of its failure to give such notice, and any such failure shall not affect the validity of

such amendment, change or modification when consented to and approved as provided in this Section. If the holders of the requisite principal amount of Series 2024A Bonds which are outstanding hereunder at the time of the execution of any such amendment, change or modification shall have consented to and approved the execution thereof as herein provided, no holder of any Series 2024A Bond shall have any right to object to any of the terms and provisions contained therein, or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Bond Trustee or the Authority from executing the same or from taking any action pursuant to the provisions thereof.

Section 1003. No Amendment May Alter Obligations. Under no circumstances shall any amendment to the Loan Agreement alter the Master Note or the payments of principal, premium, if any, and interest thereon, in a manner materially adverse to the interest of the holder of any Series 2024A Bond without the consent of the holders of all the Series 2024A Bonds outstanding.

Section 1004. Continuing Covenant Agreement. For so long as a Purchaser is the registered owner of the Series 2024A Bonds, the provisions of a Continuing Covenant Agreement pertaining to any payments (or computation thereof) to the Purchaser by the Corporation, including without limitation supplemental fees, default fees, rate fees, default interest payments, breakage fees or prepayment premium, are hereby incorporated by reference and are considered to be terms of the Series 2024A Bonds. No amendments, supplements, modifications or waivers of such provisions of a Continuing Covenant Agreement shall be made unless the Corporation has provided the Authority and the Bond Trustee with a Favorable Opinion of Bond Counsel with respect to any such amendments, supplements, modifications or waivers. No replacement Continuing Covenant Agreement may be entered into with any Purchaser, and the provisions of any such replacement Continuing Covenant Agreement pertaining to any payments (or computation thereof) to the Purchaser by the Corporation, including without limitation supplemental fees, default fees, rate fees, default interest payments, breakage fees or prepayment premium, shall not be amended, supplemented, modified or waived, unless the Corporation has provided the Authority and the Bond Trustee with a Favorable Opinion of Bond Counsel with respect to such replacement Continuing Covenant Agreement, or any such amendment, supplement, modification or waiver thereof, as applicable.

Section 1005. Consent of Bond Insurer. Notwithstanding anything to the contrary contained herein, any provision of the Loan Agreement expressly recognizing or granting rights in or to the Bond Insurer may not be amended in any manner that affects the rights of the Bond Insurer thereunder or hereunder without the prior written consent of the Bond Insurer. In addition, the consent of the Bond Insurer shall be required for any amendment or supplement to the extent provided in Article XIV hereof.

ARTICLE XI SATISFACTION OF THIS BOND INDENTURE

Section 1101. Defeasance. If the Authority shall pay or provide for the payment of the entire indebtedness on all Series 2024A Bonds (including for the purposes of this Section 1101, Series 2024A Bonds held by the Corporation) outstanding in any one more of the following ways:

(a) by paying or causing to be paid the principal of (including redemption premium, if any) and interest on all Series 2024A Bonds outstanding, as and when the same become due and payable;

(b) by irrevocably depositing with the Bond Trustee, in trust, at or before maturity, moneys (which shall be Eligible Moneys when the Series 2024A Bonds are in an Eligible Moneys Mode covered by a Credit Facility) in an amount sufficient to pay or redeem (when redeemable) all Series 2024A Bonds outstanding (including the payment of premium, if any, and interest payable on such Series 2024A Bonds to the maturity or redemption date thereof), provided that such moneys, if invested, shall be invested in U.S. Government Obligations which are not prepayable or callable prior to, but mature on a date on or prior to the date the moneys therefrom are anticipated to be required in an amount, without consideration of any income or increment to accrue thereon, sufficient to pay or redeem (when redeemable) and discharge the indebtedness on all Series 2024A Bonds outstanding at or before their respective maturity dates; it being understood that the investment income on such U.S. Government Obligations may be used for any other purpose under the Act;

(c) by delivering to the Bond Trustee, for cancellation by it, all Series 2024A Bonds outstanding; or

(d) by irrevocably depositing with the Bond Trustee, in trust, U.S. Government Obligations (purchased with Eligible Moneys when the Series 2024A Bonds are in an Eligible Moneys Mode covered by a Credit Facility) which are not prepayable or callable prior to, but mature on a date on or prior to the date the moneys therefrom are anticipated to be required in such amount that will, together with the income or increment to accrue thereon, without consideration of any reinvestment thereof, and any uninvested cash (which shall be Eligible Moneys when the Series 2024A Bonds are in an Eligible Moneys Mode covered by a Credit Facility), be fully sufficient to pay or redeem (when redeemable) and discharge the indebtedness on all Series 2024A Bonds outstanding at or before their respective maturity dates; provided that the Bond Trustee shall be entitled to receive and shall be permitted to rely upon a verification report of an accountant selected by the Corporation as conclusive evidence of the sufficiency of the amount of such deposit.

and if the Authority and the Corporation shall pay or cause to be paid all other sums payable hereunder by the Authority, this Bond Indenture and the estate and rights granted hereunder shall cease, determine, and become null and void, and thereupon the Bond Trustee shall, upon Written Request of the Authority, and upon receipt by the Bond Trustee of an Officer's Certificate of the Corporation and an opinion of Independent Counsel, each addressed to the Authority and the Bond Trustee, each stating that in the opinion of the signers all conditions precedent to the satisfaction and discharge of this Bond Indenture have been complied with, forthwith execute proper instruments acknowledging satisfaction of and discharging this Bond Indenture, the Loan Agreement and all financing statements filed in connection therewith, other than the liens on and financing statements filed in connection with such liens on the U.S. Government Obligations irrevocably deposited pursuant to this Section 1101. The provisions of subparagraphs (b) and (d) of this paragraph shall only apply if (x) (A) such Series 2024A Bond matures or is called for redemption prior to the next date upon which such Series 2024A Bond is subject to purchase

pursuant to Section 504, 505, 506, 507 or 508 hereof or (B) if such Series 2024A Bonds are in any Eligible Moneys Mode covered by a Credit Facility, the Bond Trustee, the Credit Facility Provider and the Authority receive evidence satisfactory to them that the moneys on deposit in the escrow established to advance refund such Series 2024A Bonds are in an amount sufficient to pay the principal of and interest on such Series 2024A Bonds at the Maximum Rate, on any date such Series 2024A Bonds may be tendered during the period prior to payment in full of principal, premium, if any, and interest payable on such Series 2024A Bonds, in which case the tendered Series 2024A Bonds shall be purchased with moneys on deposit in the escrow and shall be canceled, which evidence shall be accompanied by a written notice from each Rating Agency then maintaining a rating on the Series 2024A Bonds to be refunded that the rating on such Series 2024A Bonds will not be withdrawn, suspended or reduced from the rating borne by such Series 2024A Bonds immediately prior to such refunding, and (y) the Corporation waives, to the satisfaction of the Bond Trustee, its right to convert the method for determining the interest rate borne by such Series 2024A Bonds pursuant to Section 212 hereof. Notwithstanding the foregoing, the provisions of subparagraphs (b) and (d) of this paragraph shall not apply to Series 2024A Bonds bearing interest at a Daily Rate or a Weekly Rate not covered by a Credit Facility.

The satisfaction and discharge of this Bond Indenture shall be without prejudice to the rights of the Bond Trustee to charge and be reimbursed by the Authority and the Corporation for any expenditures which it may thereafter incur in connection herewith.

Any moneys, funds, securities, or other property remaining on deposit in the Revenue Fund, Interest Fund, Bond Sinking Fund, Redemption Fund, Expense Fund or in any other fund or investment under this Bond Indenture (other than said U.S. Government Obligations or other moneys deposited in trust as above provided and other than amounts on deposit in the Purchase Fund and the Rebate Fund) shall, upon the full satisfaction of this Bond Indenture, forthwith be transferred, paid over and distributed to the Authority and the Corporation immediately preceding such satisfaction, as their respective interests may appear.

Upon compliance with Section 221 hereof, the Authority, the Corporation or any other Member may at any time surrender to the Bond Trustee for cancellation by it any Series 2024A Bonds previously authenticated and delivered, which the Authority or the Members of the Obligated Group may have acquired in any manner whatsoever, and such Series 2024A Bonds, upon such surrender and cancellation, shall be deemed to be paid and retired.

If the Authority shall pay or provide for the payment of the Series 2024A Bonds as hereinabove described, the Bond Trustee shall give written notice of such payment or provision for payment to the Credit Facility Provider (if any). In addition, prior to any provision for payment of any portion of the Series 2024A Bonds pursuant to Section 1101(b) or 1101(d) above, the Credit Facility Provider (if any) shall have consented to any agreements providing for the forward purchase of U.S. Government Obligations which will be deposited with the Bond Trustee.

Section 1102. Liability of Authority Not Discharged. Upon the deposit with the Bond Trustee, in trust, at or before maturity, of money or U.S. Government Obligations in the necessary amount to pay or redeem all outstanding Series 2024A Bonds (whether upon or prior to their maturity or the redemption date of such Series 2024A Bonds) and compliance with the other payment requirements of Section 1101, provided that if such Series 2024A Bonds are to be

redeemed prior to the maturity thereof, notice of such redemption shall have been given as in Article V herein provided, or provisions satisfactory to the Bond Trustee shall have been made for the giving of such notice, and subject to the provisions of Section 1104, this Bond Indenture may be discharged in accordance with the provisions hereof but the liability of the Authority in respect of the Series 2024A Bonds shall continue provided that the holders thereof shall thereafter be entitled to payment only out of the moneys or the U.S. Government Obligations deposited with the Bond Trustee as aforesaid.

Section 1103. Provision for Payment of a Portion of the Bonds. If the Authority shall pay or provide for the payment of a portion of the Series 2024A Bonds (including for the purposes of this Section 1103 any such Series 2024A Bonds held by a Member of the Obligated Group), in one or more of the following ways:

(a) by paying or causing to be paid the principal of (including premium, if any) and interest on all such Series 2024A Bonds, as and when the same shall become due and payable;

(b) by irrevocably depositing with the Bond Trustee, in trust, at or before maturity, moneys (which shall be Eligible Moneys when such Series 2024A Bonds are in an Eligible Moneys Mode covered by a Credit Facility) in an amount sufficient to pay or redeem (when redeemable) all such Series 2024A Bonds (including the payment of premium, if any, and interest payable on such Series 2024A Bonds to the maturity or redemption date thereof), provided that such moneys, if invested, shall be invested in U.S. Government Obligations which are not prepayable or callable prior to, but mature on a date on or prior to, the date the moneys therefrom are anticipated to be required in an amount, without consideration of any income or increment to accrue thereon, sufficient to pay or redeem (when redeemable) and discharge the indebtedness on all such Series 2024A Bonds at or before their respective maturity dates; it being understood that the investment income on such U.S. Government Obligations may be used for any other purpose under the Act;

(c) by delivering to the Bond Trustee, for cancellation by it, all such Series 2024A Bonds; or

(d) by irrevocably depositing with the Bond Trustee, in trust, U.S. Government Obligations (purchased with Eligible Moneys when such Series 2024A Bonds are in an Eligible Moneys Mode covered by a Credit Facility) which are not prepayable or callable prior to, but mature on a date on or prior to, the date the moneys therefrom are anticipated to be required in such amount that will, together with the income or increment to accrue thereon, without consideration of any reinvestment thereof, and any uninvested cash (which shall be Eligible Moneys when such Series 2024A Bonds are in an Eligible Moneys Mode covered by a Credit Facility), be fully sufficient to pay or redeem (when redeemable) and discharge the indebtedness on all such Series 2024A Bonds at or before their stated maturity date; provided that the Bond Trustee shall be entitled to receive and shall be permitted to rely upon a verification report of an accountant selected by the Corporation as conclusive evidence of the sufficiency of the amount of such deposit;

and if the Authority shall also pay or cause to be paid all other sums payable hereunder by the Authority with respect to all such Series 2024A Bonds, and, if such Series 2024A Bonds are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given as in Article V of this Bond Indenture provided or provisions satisfactory to the Bond Trustee shall have been made for the giving of such notice, such Series 2024A Bonds shall cease to be entitled to any lien, benefit or security under this Bond Indenture. The provisions of subparagraphs (b) and (d) of this paragraph shall only apply if (x) (A) such Series 2024A Bond matures or is called for redemption prior to the next date upon which such Series 2024A Bond is subject to purchase pursuant to Section 504, 505, 506, 507 or 508 hereof or (B) if such Series 2024A Bonds are in any Eligible Moneys Mode covered by a Credit Facility, the Bond Trustee, the Credit Facility Provider and the Authority receive evidence satisfactory to them that the moneys on deposit in the escrow established to advance refund such Series 2024A Bonds are in an amount sufficient to pay the principal of and interest on such Series 2024A Bonds at the Maximum Rate, on any date such Series 2024A Bonds may be tendered during the period prior to payment in full of principal, premium, if any, and interest payable on such Series 2024A Bonds, in which case the tendered Series 2024A Bonds shall be purchased with moneys on deposit in the escrow and shall be canceled, which evidence shall be accompanied by a written notice from each Rating Agency then maintaining a rating on the Series 2024A Bonds to be refunded that the rating on such Series 2024A Bonds will not be withdrawn, suspended or reduced from the rating borne by such Series 2024A Bonds immediately prior to such refunding, and (y) the Corporation waives, to the satisfaction of the Bond Trustee, its right to convert the method for determining the interest rate borne by such Series 2024A Bond pursuant to Section 212 hereof. The liability of the Authority in respect of such Series 2024A Bonds, if any, shall continue but the holders thereof shall thereafter be entitled to payment (to the exclusion of all other Bondholders) only out of the moneys or U.S. Government Obligations deposited with the Bond Trustee as aforesaid.

The liability of the Authority in respect of such Series 2024A Bonds, if any, shall continue but the holders thereof shall thereafter be entitled to payment (to the exclusion of all other Bondholders) only out of the moneys or U.S. Government Obligations deposited with the Bond Trustee as aforesaid.)

If the Authority shall pay or provide for the payment of any portion of the Series 2024A Bonds as hereinabove described, the Bond Trustee shall give written notice of such payment or provision for payment to the Credit Facility Provider (if any). In addition, prior to any provision for payment of any portion of the Series 2024A Bonds pursuant to Sections 1103(b) or 1103(d) above, the Credit Facility Provider (if any) shall have consented to any agreements providing for the forward purchase of U.S. Government Obligations which will be deposited with the Bond Trustee.

Section 1104. When Defeasance is Not Permitted. None of the Series 2024A Bonds outstanding hereunder may be defeased as aforesaid nor may this Bond Indenture be discharged if such defeasance is to be accomplished with respect to Series 2024A Bonds in any Eligible Moneys Mode covered by a Credit Facility and (1) the moneys to be deposited to effect such defeasance do not constitute Eligible Moneys, or (2) the U.S. Government Obligations to be deposited to effect such defeasance were not purchased with Eligible Moneys. In addition, none of the Series 2024A Bonds outstanding hereunder may be defeased as aforesaid nor may this Bond Indenture be discharged if under any circumstances interest on such defeased Series 2024A Bonds is thereby made subject to any federal income taxation to which such interest would not

otherwise be subject. As a condition precedent to the advance refunding of any Series 2024A Bonds, the Bond Trustee shall receive a Favorable Opinion of Bond Counsel.

Section 1105. Replacement of Master Note with Note Issued Under a Separate Master Indenture Without the consent of or notice to the Holders, the Master Note shall be surrendered by the Bond Trustee and delivered to the Master Trustee for cancellation in accordance with the terms and conditions set forth in Section 2.11 of the Master Indenture. Nothing contained in this Section 1105 shall permit, or be construed as permitting, (1) any extension of the maturity of any Bond, or reduction in the amount of principal thereof, or extension of the time of payment required by this Bond Indenture for the payment of any Bond, or reduction of the rate of interest thereon, or extension of the time of payment of interest thereon, or change the transferability provisions with respect to the Bonds, without the consent of the Holder of the Bonds so affected, or (2) a reduction of the percentage of Bonds the consent of the Holders of which is required to effect any such modification or amendment, or (3) the creation of any lien on the assets pledged under this Bond Indenture prior to or on a parity basis with the lien created by this Bond Indenture, or depriving the Holders of the Bonds of the lien created by this Bond Indenture on such assets (except as expressly provided in this Bond Indenture), without the consent of the Holders of all Bonds at the time Outstanding that would be affected by the action to be taken, or (4) a modification of the rights, duties or immunities of the Bond Trustee without the written consent of the Bond Trustee. The Bond Trustee has no duty or obligation to review the terms of any Replacement Master Indenture.

Upon satisfaction of such conditions, all references in this Bond Indenture and the Loan Agreement to the Master Note shall be deemed to be references to the Replacement Master Note (as defined in the Master Indenture), all references to the Master Indenture shall be deemed to be references to the Replacement Master Indenture (as defined in the Master Indenture), all references to the Master Trustee shall be deemed to be references to the master trustee under the Replacement Master Indenture, all references to the Obligated Group and the members of the Obligated Group shall be deemed to be references to the obligated group and the members of the obligated group under the Replacement Master Indenture and all references to the Supplement shall be deemed to be references to the document pursuant to which the Replacement Master Note is issued.

ARTICLE XII MANNER OF EVIDENCING OWNERSHIP OF BONDS

Section 1201. Proof of Ownership Any request, direction, consent or other instrument provided by this Bond Indenture to be signed and executed by the Bondholders shall be deemed in all cases to refer to registered owners of the Series 2024A Bonds may be in any number of concurrent writings of similar tenor and may be signed or executed by such Bondholders in person or by agent appointed in writing. Proof of the execution of any such request, direction or other instrument or of the writing appointing any such agent and of the registered ownership of Series 2024A Bonds, if made in the following manner, shall be sufficient for any of the purposes of this Bond Indenture and shall be conclusive in favor of the Bond Trustee and the Authority, with regard to any action taken by them, or either of them, under such request or other instrument, namely:

(a) the fact and date of the execution by any person of any such writing may be proved by the certificate of any officer in any jurisdiction who by law has power to take acknowledgments in such jurisdiction, that the person signing such writing acknowledged before him the execution thereof, or by the affidavit of a witness of such execution; and

(b) the ownership of Series 2024A Bonds and the amounts and registration numbers of such Series 2024A Bonds and the date of holding the same shall be proved by the Bond Register.

Any action taken or suffered by the Bond Trustee pursuant to any provision of this Bond Indenture, upon the request or with the assent of any person who at the time is the registered owner of any Series 2024A Bond or Series 2024A Bonds, shall be conclusive and binding upon all future owners or holders of the same Series 2024A Bond or Series 2024A Bonds.

For the purpose of determining whether a required portion of the Bondholders has (i) accepted, consented, approved or agreed to any action or document to which the Bondholders have been given the right to accept, consent, approve or agree, (ii) waived any covenant hereunder which the Bondholders have been given the right to waive or (iii) consented to any supplement hereto which the Bondholders have been given the right to consent to, Series 2024A Bonds held by the Corporation, any other Member or any Affiliate thereof shall not be considered outstanding, except that for the purpose of determining whether the Bond Trustee shall be protected in relying on any such action, only such Series 2024A Bonds which a Responsible Officer of the Bond Trustee actually knows are so owned shall be so disregarded.

ARTICLE XIII MISCELLANEOUS

Section 1301. Limitation of Rights With the exception of rights herein expressly conferred, nothing expressed or mentioned in or to be implied from this Bond Indenture or the Series 2024A Bonds is intended or shall be construed to give to any person other than the parties hereto and the holders of the Series 2024A Bonds and the Credit Facility Provider (if any), any legal or equitable right, remedy or claim under or in respect to this Bond Indenture or any covenants, conditions and provisions herein contained; this Bond Indenture and all of the covenants, conditions and provisions hereof being intended to be and being for the sole and exclusive benefit of the parties hereto, the Corporation, the Credit Facility Provider (if any) and the holders of the Series 2024A Bonds as herein provided. The Credit Facility Provider (if any) is an express third party beneficiary of this Bond Indenture.

Section 1302. Unclaimed Moneys Any moneys deposited with the Bond Trustee by the Authority, in accordance with the terms and conditions of this Bond Indenture, in order to redeem or pay any Series 2024A Bond in accordance with the provisions of this Bond Indenture which remain unclaimed by the holders of such Series 2024A Bond for four years (or, if less, one day before such moneys would escheat to the State under then applicable State law) after the final maturity of all Series 2024A Bonds issued hereunder or the redemption date of all the Series 2024A Bonds, as the case may be, shall, if the Authority is not at the time, to the knowledge of the Bond Trustee, in default with respect to any of the terms and conditions of this Bond Indenture or the Series 2024A Bonds, be repaid by the Bond Trustee to the Authority upon

its written request therefor; and thereafter the holders of the Series 2024A Bonds shall be entitled to look only to the Authority for payment thereof. Such moneys may be invested in accordance with Section 406 hereof if the Corporation make arrangements satisfactory to the Bond Trustee to indemnify the Bond Trustee for any costs which it may incur due to the unavailability of moneys due to such investment. Investment income on any such unclaimed moneys received by the Bond Trustee shall be deposited as provided in Section 406 hereof until the final maturity or redemption date of the Series 2024A Bonds. Any such income generated after such date shall be deemed to be unclaimed moneys of the type referred to in the first sentence of this Section and shall be disposed of in accordance with such sentence. The Authority hereby covenants and agrees to indemnify and save the Bond Trustee harmless from any and all losses, costs, liability and expenses suffered or incurred by the Bond Trustee by reason of having returned any such moneys to the Authority as herein provided.

Section 1303. Severability. If any provision of this Bond Indenture shall be held or deemed to be or shall, in fact, be inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions or in all jurisdictions, or in all cases because it conflicts with any other provision or provisions or any constitution or statute or rule of public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions herein contained invalid, inoperative, or unenforceable to any extent whatever.

The invalidity of any one or more phrases, sentences, clauses or Sections in this Bond Indenture contained, shall not affect the remaining portions of this Bond Indenture, or any part thereof.

Section 1304. Notices. Except as otherwise provided in this Bond Indenture, all notices, certificates or other communications hereunder shall be sufficiently given, shall be deemed to have been given and shall be effective (a) upon delivery, if hand delivered, or (b) upon deposit, in the United States mail, first-class and postage prepaid, or with a nationally recognized overnight commercial carrier, airbill prepaid, or (c) upon receipt of a transmission, if by facsimile; provided that such transmission is promptly confirmed by hand delivery, mail or commercial carrier as provided above. Until otherwise provided by the respective parties, all notices, certificates and communications to each of them shall be addressed as follows:

To the Authority:

Wisconsin Health and Educational Facilities Authority
18000 West Sarah Lane, Suite 300
Brookfield, Wisconsin 53045
Attention: Executive Director
Facsimile: (262) 792-0649

To the Bond Trustee:

U.S. Bank Trust Company, National Association
1555 North RiverCenter Drive, Suite 203
Milwaukee, Wisconsin 53212
Attention: Global Corporate Trust
Facsimile: (414) 905-5049

To the Corporation:

Marshfield Clinic Health System, Inc.
1000 North Oak Avenue
Marshfield, Wisconsin 54449-5777
Attention: Chief Financial Officer

With a copy to:

Orrick Herrington & Sutcliffe LLP
1120 NW Couch Street, Suite 200
Portland, Oregon 97209
Attention: Douglas E. Goe

To the Bond Insurer:

Build America Mutual Assurance Company
200 Liberty Street, 27th Floor
New York, New York 10281
Attention: Surveillance
Re: Policy No. [_____]
Telephone: (212) 235-2500
Facsimile: (212) 235-1542

(In each case in which notice or other communication refers to an event of default or a claim on the Policy, then a copy of such notice or other communication shall also be sent to the attention of the General Counsel at the same address and at claims@buildamerica.com or at Facsimile: (212) 235-5214 and shall be marked to indicate "URGENT MATERIAL ENCLOSED.")

or to such address as such Person may from time to time file with the other Persons whose addresses are set forth in this Section.

The Bond Trustee shall give Written Notice to each owner of the Series 2024A Bonds of any change in the addresses of the Bond Trustee.

The Corporation will provide the Bond Insurer with all notices and other information it is obligated to provide (i) under the Continuing Disclosure Agreement and (ii) to the holders of the Insured Bonds or the Bond Trustee under the Security Documents (as defined in Article XIV hereof).

Section 1305. Bond Trustee as Paying Agent and Registrar. The Bond Trustee, unless it elects to the contrary by a notice in writing delivered to the Authority, is hereby designated and agrees to act as principal Paying Agent and Bond Registrar for and in respect to the Series 2024A Bonds.

Section 1306. Counterparts. This Bond Indenture may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 1307. Applicable Law. This Bond Indenture shall be governed by and construed in accordance with the laws of the State of Wisconsin applicable to contracts performed wholly therein.

Section 1308. Bond Trustee as Holder of Notes Pledged Hereunder. The Bond Trustee shall be considered the holder of the Master Note for the purpose of giving consents, approvals and notices under the Master Indenture.

Section 1309. Provisions for Payment of Expenses. The Authority shall not be obligated to execute any documents or take any other action under or pursuant to this Bond Indenture, the Loan Agreement, the Master Note or any other document in connection with the Series 2024A Bonds unless and until provision for the payment of expenses of the Authority, including legal counsel fees, shall have been made. Provisions for expenses shall be deemed to have been made upon arrangements reasonably satisfactory to the Authority for the provision of expenses being agreed upon by the Authority and the party requesting such execution.

Any action requiring consent of the Bondholders shall be deemed to also require the prior written consent of the Credit Facility Provider. Any and all notices required to be delivered to the Bondholders will be delivered to the Credit Facility Provider.

Section 1310. Immunity of Officers, Employees and Members of Authority. No recourse shall be had for the payment of the principal of or premium, if any, or interest on any of the Series 2024A Bonds or for any claim based thereon or upon any obligation, covenant or agreement in this Bond Indenture, the Loan Agreement or the Tax Exemption Agreement contained against any past, present or future incorporator, officer, director, member, employee, representative or agent of the Authority, or of any successor corporation, as such, either directly or through the Authority or any successor corporation, under any rule of law or equity, statute or constitution or by the enforcement of any assessment or penalty or otherwise, and all such liability of any such incorporator officers, directors, members, employees, representatives or agents as such is hereby expressly waived and released as a condition of and consideration for the execution of this Bond Indenture or the Loan Agreement and the issuance of such Series 2024A Bonds.

Section 1311. Additional Notices to Rating Agencies. The Bond Trustee hereby agrees that if at any time (a) payment of principal of and interest on the Series 2024A Bonds is accelerated pursuant to the provisions of Section 703 hereof, (b) the Authority shall redeem the entire principal amount of the Series 2024A Bonds outstanding hereunder prior to the maturity thereof, including without limitation, any optional redemption pursuant to Article V hereof, (c) a successor Bond Trustee, Remarketing Agent or Tender Agent is appointed hereunder, (d) a Responsible Officer of the Bond Trustee has actual knowledge of the execution of any supplement to the Loan Agreement, the Reimbursement Agreement (if any), the Credit Facility (if any), the Liquidity Facility (if any) or this Bond Indenture or of the execution by any party to any such documents of any waiver any provision of this Bond Indenture or the Loan Agreement, (e) the Authority shall provide for the payment of any portion of the Series 2024A Bonds pursuant to Article XI hereof, (f) the Authority shall convert the Series 2024A Bonds to a different Mode pursuant to Section 212 hereof, or (g) any termination, substitution, extension or expiration of the Liquidity Facility (if any) or Credit Facility (if any) shall occur, then, in each case, to the extent the Bonds are rated and the Bond Trustee has knowledge thereof, the Bond Trustee shall promptly give notice to each Rating Agency rating the Bonds at the request of the Corporation, which notice in the case of an event described in clause (d) of this Section 1311 shall include a copy of any such supplement, amendment, modification, alteration or waiver; provided, however, the Bond Trustee shall incur no liability for failure to give such notices. The Bond Trustee shall also deliver to any Rating Agency then rating the Series 2024A Bonds any other information contained in the books and records of the Bond Trustee that such Rating Agency may reasonably request in order to maintain the rating on the Series 2024A Bonds. The Bond Trustee's agreement to provide the information required to be provided under this Section is made as a matter of courtesy and accommodation only, and the Bond Trustee shall have no liability to any person for any failure to comply therewith.

Section 1312. Rights of Credit Facility Provider. Anything contained in this Bond Indenture or in the Series 2024A Bonds to the contrary notwithstanding, to the extent there is a Credit Facility for the benefit of the Series 2024A Bonds, the existence of all rights given to the Credit Facility Provider hereunder with respect to the giving of consents or approvals or the direction of proceedings are expressly conditioned upon its timely and full performance of the Credit Facility. Any such rights shall not apply if at any time there are no Series 2024A Bonds outstanding or the Credit Facility Provider has wrongfully failed to honor a properly presented drawing made under, and in compliance with, the Credit Facility or has been declared insolvent or bankrupt by a court of competent jurisdiction, an order or decree shall have been entered by a court of competent jurisdiction appointing a receiver, receivers, custodian or custodians for any of its assets or revenues and such order or decree shall not have been dismissed or stayed for a period of thirty (30) or more days, or any proceeding shall be instituted with the consent or acquiescence of the Credit Facility Provider or any plan shall be entered into by the Credit Facility Provider for the purpose of effecting a composition between the Credit Facility Provider and its creditors or for the purpose of adjusting the claims of such creditors, the Credit Facility Provider makes any assignment for the benefit of its creditors or the Credit Facility Provider is generally not paying its debts as such debts become due or the Credit Facility Provider files a petition in bankruptcy or under Title 11 of the United States Code, as amended, or the Credit Facility has been determined to be void or unenforceable by final judgment of a court of competent jurisdiction; provided, that this Section 1312 shall not in any way limit or affect the rights of the Credit Facility Provider as a Bondholder, as subrogee of a Bondholder or as assignee of a Bondholder or to otherwise be reimbursed and indemnified for its costs and

expenses and other payment on or in connection with the Series 2024A Bonds either by operation of law or at equity or by contract.

Section 1313. Business Days. If the date for making any payments, performing any act or exercising any right, as provided in the Bond Indenture, is not a Business Day, such a payment may be made or act performed or right exercised on the next succeeding Business Day with the same force and effect as if done on the nominal date provided in this Bond Indenture.

Section 1314. Voting Rights with Respect to Master Note. The Holders, by purchasing the Series 2024A Bonds, have consented to the amendments to the Master Indenture set forth in the Supplement. Such consent will be effective on the Closing Date, will be binding on any subsequent purchaser of any Series 2024A Bonds, and may not be revoked after the issuance of the Series 2024A Bonds. Pursuant to the consent of the Holders, the Bond Trustee, as the assignee of the Master Note, is hereby irrevocably directed to consent to the amendments to the Master Indenture set forth in the Supplement and to evidence its consent to such amendments by executing any direction, consent, instruction, approval or other document, in the Bond Trustee's capacity as holder of the Master Note for the benefit of the Holders, as may be requested by the Master Trustee. The Authority hereby assigns and grants to the Bond Trustee, and the Bond Trustee shall exercise for the benefit of the Holders, the power to execute all other waivers, directions, consents, instructions, approvals, and other exercises of the voting rights of a holder and owner of the Master Note, which power shall be irrevocable so long as the Master Note shall be pledged under this Bond Indenture.

ARTICLE XIV BOND INSURANCE PROVISIONS

The provisions of this Article shall govern notwithstanding any other provision of this Bond Indenture which may be contrary to the provisions of this Article and shall be effective so long as any Insured Bonds are Outstanding.

Section 1401. Defeasance of the Insured Bonds. The investments in the defeasance escrow relating to Insured Bonds shall be limited to non-callable, direct obligations of the United States of America and securities fully and unconditionally guaranteed as to the timely payment of principal and interest by the United States of America, or as otherwise maybe authorized under State law and approved by the Bond Insurer. At least (three) 3 Business Days prior to any defeasance with respect to the Insured Bonds, the Authority shall deliver or cause to be delivered to the Bond Insurer draft copies of an escrow agreement, an Opinion of Bond Counsel regarding the validity and enforceability of the escrow agreement and the defeasance of the Insured Bonds, a verification report (a "Verification Report") prepared by a nationally recognized independent financial analyst or firm of certified public accountants regarding the sufficiency of the escrow fund. Such opinion and Verification Report shall be addressed to the Bond Insurer and shall be in form and substance satisfactory to the Bond Insurer. In addition, the escrow agreement shall provide that:

(a) Any substitution of securities following the execution and delivery of the escrow agreement shall require the delivery of a Verification Report, an Opinion of Bond Counsel that such substitution will not adversely affect the exclusion (if interest on the Insured Bonds is excludable) from gross income of the holders of the Insured Bonds of the interest on the Insured

Bonds for federal income tax purposes and the prior written consent of the Bond Insurer, which consent will not be unreasonably withheld.

(b) The Corporation will not exercise any prior optional redemption of Insured Bonds secured by the escrow agreement or any other redemption other than mandatory sinking fund redemptions unless (i) the right to make any such redemption has been expressly reserved in the escrow agreement and such reservation has been disclosed in detail in the official statement for the refunding bonds, and (ii) as a condition to any such redemption there shall be provided to the Bond Insurer a Verification Report as to the sufficiency of escrow receipts without reinvestment to meet the escrow requirements remaining following any such redemption.

(c) The Corporation shall not amend the escrow agreement or enter into a forward purchase agreement or other agreement with respect to rights in the escrow without the prior written consent of the Bond Insurer.

Section 1402. Bond Trustee and Paying Agent. (a) The Bond Insurer shall receive prior written notice of any name change of the Bond Trustee or, if applicable, the Paying Agent for the Insured Bonds or the resignation or removal of the Bond Trustee or, if applicable, the Paying Agent. Any Bond Trustee must be (A) a national banking association that is supervised by the Office of the Comptroller of the Currency and has at least \$250 million of assets, (B) a state-chartered commercial bank that is a member of the Federal Reserve System and has at least \$1 billion of assets, or (C) otherwise approved by the Bond Insurer in writing.

(b) No removal, resignation or termination of the Bond Trustee or, if applicable, the Paying Agent shall take effect until a successor, acceptable to the Bond Insurer, shall be qualified and appointed.

Section 1403. Amendments, Supplements and Consents. The Bond Insurer's prior written consent is required for all amendments and supplements to this Bond Indenture, the Loan Agreement, the Master Note, the Insured Bonds or the Mortgage (collectively, the "Security Documents"), with the exceptions noted below; provided, however, no written consent of the Bond Insurer shall be required in connection with the release of the Mortgage if the requirements set forth in Section 10 of the Supplement are satisfied. The Corporation shall send copies of any such amendments or supplements to the Bond Insurer and the Rating Agencies which have assigned a rating to the Insured Bonds.

(a) *Consent of Bond Insurer.* Any amendments or supplements to the Security Documents shall require the prior written consent of the Bond Insurer with the exception of amendments or supplements to:

- i. cure any ambiguity or formal defect or omissions or to correct any inconsistent provisions in the transaction documents or in any supplement thereto, or
- ii. grant or confer upon the holders of the Insured Bonds any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the holders of the Insured Bonds, or

- iii. add to the conditions, limitations and restrictions on the issuance of bonds or other obligations under the provisions of the Security Documents other conditions, limitations and restrictions thereafter to be observed, or
- iv. add to the covenants and agreements of the Corporation in the Security Documents other covenants and agreements thereafter to be observed by the Corporation or to surrender any right or power therein reserved to or conferred upon the Corporation, or
- v. issue additional parity debt in accordance with the requirements set forth in the Security Documents.

(b) Consent of Bond Insurer in Addition to Bondholder Consent. Any amendment, supplement, modification to, or waiver of, any of the Security Documents that requires the consent of holders of the Insured Bonds or adversely affects the rights or interests of the Bond Insurer shall be subject to the prior written consent of the Bond Insurer.

(c) Insolvency. Any reorganization or liquidation plan with respect to the Authority or Corporation must be acceptable to the Bond Insurer. The Bond Trustee and each owner of the Insured Bonds hereby appoint the Bond Insurer as their agent and attorney-in-fact with respect to the Insured Bonds and agree that the Bond Insurer may at any time during the continuation of any proceeding by or against the Authority or the Corporation under the United States Bankruptcy Code or any other applicable bankruptcy, insolvency, receivership, rehabilitation or similar law (an “*Insolvency Proceeding*”) direct all matters relating to such Insolvency Proceeding, including without limitation, (A) all matters relating to any claim or enforcement proceeding in connection with an Insolvency Proceeding (a “*Claim*”), (B) the direction of any appeal of any order relating to any Claim, (C) the posting of any surety, supersedeas or performance bond pending any such appeal, and (D) the right to vote to accept or reject any plan of adjustment. In addition, the Bond Trustee and each owner of the Insured Bonds delegate and assign to the Bond Insurer, to the fullest extent permitted by law, the rights of the Bond Trustee and each owner of the Insured Bonds with respect to the Insured Bonds in the conduct of any Insolvency Proceeding, including, without limitation, all rights of any party to an adversary proceeding or action with respect to any court order issued in connection with any such Insolvency Proceeding.

(d) Control by Bond Insurer Upon Default. Anything in the Security Documents to the contrary notwithstanding, upon the occurrence and continuance of a default or an event of default, the Bond Insurer shall be entitled to control and direct the enforcement of all rights and remedies granted to the holders of the Insured Bonds or the Bond Trustee or Paying Agent for the benefit of the holders of the Insured Bonds under any Security Document. No default or event of default may be waived without the Bond Insurer’s written consent.

(e) Bond Insurer as Owner. Upon the occurrence and continuance of a default or an event of default, the Bond Insurer shall be deemed to be the sole owner of the Insured Bonds for all purposes under the Security Documents, including, without limitations, for purposes of exercising remedies and approving amendments.

(f) Consent of Bond Insurer for acceleration. The Bond Insurer’s prior written consent is required as a condition precedent to and in all instances of acceleration of the Insured Bonds.

(g) Grace Period for Payment Defaults. No grace period shall be permitted for payment defaults on the Insured Bonds. No grace period for a covenant default shall exceed 30 days without the prior written consent of the Bond Insurer.

(h) Special Provisions for Bond Insurer Default. If a default of the Bond Insurer shall occur and be continuing, then, notwithstanding anything in subparagraphs (a)-(e) above to the contrary, (1) if at any time prior to or following a Bond Insurer Default, the Bond Insurer has made payment under the Bond Insurance Policy, to the extent of such payment the Bond Insurer shall be treated like any other holder of the Insured Bonds for all purposes, including giving of consents, and (2) if the Bond Insurer has not made any payment under the Bond Insurance Policy, the Bond Insurer shall have no further consent rights until the particular Bond Insurer Default is no longer continuing or the Bond Insurer makes a payment under the Bond Insurance Policy, in which event, the foregoing clause (1) shall control. For purposes of this paragraph, “*Bond Insurer Default*” means: (A) the Bond Insurer has failed to make any payment under the Bond Insurance Policy when due and owing in accordance with its terms; or (B) the Bond Insurer shall (i) voluntarily commence any proceeding or file any petition seeking relief under the United States Bankruptcy Code or any other Federal, state or foreign bankruptcy, insolvency or similar law, (ii) consent to the institution of or fail to controvert in a timely and appropriate manner, any such proceeding or the filing of any such petition, (iii) apply for or consent to the appointment of a receiver, trustee, custodian, sequestrator or similar official for such party or for a substantial part of its property, (iv) file an answer admitting the material allegations of a petition filed against it in any such proceeding, (v) make a general assignment for the benefit of creditors, or (vi) take action for the purpose of effecting any of the foregoing; or (C) any state or federal agency or instrumentality shall order the suspension of payments on the Bond Insurance Policy or shall obtain an order or grant approval for the rehabilitation, liquidation, conservation or dissolution of the Bond Insurer (including without limitation under the New York Insurance Law).

Section 1404. Third-Party Beneficiary. The Bond Insurer is recognized as and shall be deemed to be a third party beneficiary of the Security Documents and may enforce the provisions of the Security Documents as if it were a party thereto.

Section 1405. Payment Procedure Under the Bond Insurance Policy. In the event that principal and/or interest due on the Insured Bonds shall be paid by the Bond Insurer pursuant to the Bond Insurance Policy, the Insured Bonds shall remain outstanding for all purposes, not be defeased or otherwise satisfied and not be considered paid by the Authority, the assignment and pledge of the trust estate and all covenants, agreements and other obligations of the Authority to the registered owners shall continue to exist and shall run to the benefit of the Bond Insurer, and the Bond Insurer shall be subrogated to the rights of such registered owners. In the event that on the second (2nd) business day prior to any payment date on the Insured Bonds, the Paying Agent or Bond Trustee has not received sufficient moneys to pay all principal of and interest on the Insured Bonds due on such payment date, the Paying Agent or Bond Trustee shall immediately notify the Bond Trustee or its designee on the same business day by telephone or electronic mail, of the amount of the deficiency. If any deficiency is made up in whole or in part prior to or on

the payment date, the Paying Agent or Bond Trustee shall so notify the Bond Insurer or its designee. In addition, if the Paying Agent or Bond Trustee has notice that any holder of the Insured Bonds has been required to disgorge payments of principal of or interest on the Insured Bonds pursuant to a final, non-appealable order by a court of competent jurisdiction that such payment constitutes an avoidable preference to such holder within the meaning of any applicable bankruptcy law, then the Paying Agent or Bond Trustee shall notify the Bond Insurer or its designee of such fact by telephone or electronic mail, or by overnight or other delivery service as to which a delivery receipt is signed by a person authorized to accept delivery on behalf of the Bond Insurer. The Paying Agent or Bond Trustee shall irrevocably be designated, appointed, directed and authorized to act as attorney-in-fact for holders of the Insured Bonds as follows:

(a) If there is a deficiency in amounts required to pay interest and/or principal on the Insured Bonds, the Paying Agent or Bond Trustee shall (i) execute and deliver to the Bond Insurer, in form satisfactory to the Bond Insurer, an instrument appointing the Bond Insurer as agent and attorney-in-fact for such holders of the Insured Bonds in any legal proceeding related to the payment and assignment to the Bond Insurer of the claims for interest on the Insured Bonds, (ii) receive as designee of the respective holders (and not as Paying Agent) in accordance with the tenor of the Bond Insurance Policy payment from the Bond Insurer with respect to the claims for interest so assigned, (iii) segregate all such payments in a separate account (the “*Bond Insurance Policy Payment Account*”) to only be used to make scheduled payments of principal of and interest on the Insured Bonds, and (iv) disburse the same to such respective holders; and

(b) If there is a deficiency in amounts required to pay principal of the Insured Bonds, the Paying Agent or Bond Trustee shall (i) execute and deliver to the Bond Insurer, in form satisfactory to the Bond Insurer, an instrument appointing the Bond Insurer as agent and attorney-in-fact for such holder of the Insured Bonds in any legal proceeding related to the payment of such principal and an assignment to the Bond Insurer of the Insured Bonds surrendered to Bond Insurer, (ii) receive as designee of the respective holders (and not as Paying Agent) in accordance with the tenor of the Bond Insurance Policy payment therefore from the Bond Insurer, (iii) segregate all such payments in the Bond Insurance Policy Payment Account to only be used to make scheduled payments of principal of and interest on the Insured Bonds, and (iv) disburse the same to such holders.

The Bond Trustee shall designate any portion of payment of principal on Insured Bonds paid by the Bond Insurer, whether by virtue of mandatory sinking fund redemption, maturity or other advancement of maturity, on its books as a reduction in the principal amount of Insured Bonds registered to the then current holder, whether DTC or its nominee or otherwise, and shall issue a replacement Insured Bond to the Bond Insurer, registered in the name directed by the Bond Insurer, in a principal amount equal to the amount of principal so paid (without regard to authorized denominations); provided that the Bond Trustee’s failure to so designate any payment or issue any replacement Insured Bond shall have no effect on the amount of principal or interest payable by the Authority on any Insured Bond or the subrogation or assignment rights of the Bond Insurer. Payments with respect to claims for interest on and principal of Insured Bonds disbursed by the Paying Agent or Bond Trustee from proceeds of the Bond Insurance Policy shall not be considered to discharge the obligation of the Authority with respect to such Insured Bonds, and the Bond Insurer shall become the owner of such unpaid Insured Bonds and claims for the interest in accordance with the tenor of the assignment made to it under the provisions of the preceding paragraphs or otherwise.

Irrespective of whether any such assignment is executed and delivered, the Authority, Corporation and the Paying Agent and Bond Trustee agree for the benefit of the Bond Insurer that:

(x) They recognize that to the extent the Bond Insurer makes payments directly or indirectly (e.g., by paying through the Paying Agent or Bond Trustee), on account of principal of or interest on the Insured Bonds, the Bond Insurer will be subrogated to the rights of such holders to receive the amount of such principal and interest from the Authority/Corporation, with interest thereon, as provided and solely from the sources stated in the Security Documents and the Insured Bonds; and

(y) They will accordingly pay to the Bond Insurer the amount of such principal and interest, with interest thereon as provided in the transaction documents and the Insured Bonds, but only from the sources and in the manner provided therein for the payment of principal of and interest on the Insured Bonds to holders, and

(z) They will otherwise treat the Bond Insurer as the owner of such rights to the amount of such principal and interest.

Section 1406. Additional Payments/Annual Payments. The Corporation agrees unconditionally that it will pay or reimburse the Bond Insurer on demand any and all reasonable charges, fees, costs, losses, liabilities and expenses that the Bond Insurer may pay or incur, including, but not limited to, fees and expenses of the Bond Insurer’s agents, attorneys, accountants, consultants, appraisers and auditors and reasonable costs of investigations, in connection with the administration (including waivers and consents, if any), enforcement, defense, exercise or preservation of any rights and remedies in respect of the Security Documents (“*Administrative Costs*”). For purposes of the foregoing, costs and expenses shall include a reasonable allocation of compensation and overhead attributable to the time of employees of the Bond Insurer spent in connection with the actions described in the preceding sentence. The Corporation agrees that failure to pay any Administrative Costs on a timely basis will result in the accrual of interest on the unpaid amount at the Late Payment Rate, compounded semi-annually, from the date that payment is first due to the Bond Insurer until the date the Bond Insurer is paid in full. Notwithstanding anything herein to the contrary, the Corporation agrees to pay to the Bond Insurer (i) a sum equal to the total of all amounts paid by the Bond Insurer under the Bond Insurance Policy (“*Bond Insurance Policy Payment*”); and (ii) interest on such Bond Insurance Policy Payments from the date paid by the Bond Insurer until payment thereof in full by the Corporation, payable to the Bond Insurer at the Late Payment Rate per annum (collectively, “*Reimbursement Amounts*”) compounded semi-annually. The Corporation hereby covenants and agrees that the Reimbursement Amounts are payable from and secured by a lien on and pledge of the same revenues and other collateral pledged to the Insured Bonds on a parity with debt service due on the Insured Bonds. In addition, for as long as any Insured Bonds are Outstanding, the Corporation agrees that it will pay the Bond Insurer an annual insurance payment (the “*Annual Insurance Payment*”) from Gross Revenues (as defined in the Master Indenture). The Annual Insurance Payment shall be paid to the Bond Insurer on February 15th (or if such day is not a business day, the next succeeding business day, without interest) (each an “*Annual Insurance Payment Date*”), commencing with February 15, 2034 and shall be in an amount equal to 0.14% of the principal amount of the Insured Bonds Outstanding on each such Annual Insurance Payment Date.

Section 1407. Exercise of Rights by Bond Insurer. The rights granted to the Bond Insurer under the Security Documents to request, consent to or direct any action are rights granted to the Bond Insurer in consideration of its issuance of the Bond Insurance Policy. Any exercise by the Bond Insurer of such rights is merely an exercise of the Bond Insurer's contractual rights and shall not be construed or deemed to be taken for the benefit, or on behalf, of the holders of the Insured Bonds and such action does not evidence any position of the Bond Insurer, affirmative or negative, as to whether the consent of the holders of the Insured Bonds or any other person is required in addition to the consent of the Bond Insurer.

The Bond Insurer shall be entitled to pay principal or interest on the Insured Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Corporation (as such terms are defined in the Bond Insurance Policy) and any amounts due on the Insured Bonds as a result of acceleration of the maturity thereof in accordance with the Security Documents, whether or not the Bond Insurer has received a claim upon the Bond Insurance Policy.

No contract shall be entered into or any action taken by which the rights of the Bond Insurer or security for or source of payment of the Insured Bonds may be impaired or prejudiced in any material respect except upon obtaining the prior written consent of the Bond Insurer.

If an event of default occurs under any agreement pursuant to which any Obligation of the Corporation has been incurred or issued and that permits the holder of such Obligation or trustee to accelerate the Obligation or otherwise exercise rights or remedies that are adverse to the interest of the holders of the Insured Bonds or the Bond Insurer, as the Bond Insurer may determine in its sole discretion, then an event of default shall be deemed to have occurred under this Bond Indenture and the related Security Documents for which the Bond Insurer or the Bond Trustee, at the direction of the Bond Insurer, shall be entitled to exercise all available remedies under the Security Documents, at law and in equity. For purposes of the foregoing "Obligation" shall mean any bonds, loans, certificates, installment or lease payments or similar obligations that are payable and/or secured on a parity or subordinate basis to the Insured Bonds.

(signature page follows)

IN WITNESS WHEREOF, the Authority has caused this Bond Indenture to be signed in its name and on its behalf by its Executive Director, and to evidence its acceptance of the trusts created by this Bond Indenture the Bond Trustee has caused this Bond Indenture to be executed by its duly authorized officer, all as of the day and year first above written.

**WISCONSIN HEALTH AND EDUCATIONAL
FACILITIES AUTHORITY**

By: _____
Larry D. Wiemer II
Executive Director

**U.S. BANK TRUST COMPANY, NATIONAL
ASSOCIATION, as Bond Trustee**

By: _____
Authorized Signatory

This Bond Indenture was prepared by:

Nathan Fronk
Quarles & Brady LLP
411 East Wisconsin Avenue
Milwaukee, WI 53202

(Signature Page to 2024A Bond Trust Indenture)

Exhibit A

Form of Series 2024A Bond

[For Insured Bonds: Build America Mutual Assurance Company ("BAM"), New York, New York, has delivered its municipal bond insurance policy (the "Policy") with respect to the scheduled payments due of principal of and interest on (a) the Bonds maturing on February 15, 2054 bearing interest at a rate of 5.250% and (b) the Bonds maturing on February 15, 2054 bearing interest at a rate of 4.500%, to U.S. Bank Trust Company, National Association, or its successor, as trustee for the Bonds (the "Bond Trustee"). Said Policy is on file and available for inspection at the principal office of the Bond Trustee and a copy thereof may be obtained from BAM or the Bond Trustee. All payments required to be made under the Policy shall be made in accordance with the provisions thereof. By its purchase of this Bond, the owner acknowledges and consents (i) to the subrogation and all other rights of BAM as more fully set forth in the Policy and (ii) that upon the occurrence and continuance of a default or an event of default under the Bond Indenture or this Bond, BAM shall be deemed to be the sole owner of the Bonds for all purposes and shall be entitled to control and direct the enforcement of all rights and remedies granted to the owners of the Bonds or the trustee, paying agent, registrar or similar agent for the benefit of such owners under the Bond Indenture, at laws or in equity.]

**[DIRECT PURCHASE LEGEND: THE TRANSFERABILITY OF THIS BOND IS
RESTRICTED AS DESCRIBED IN THE BOND INDENTURE]**

**UNITED STATES OF AMERICA
STATE OF WISCONSIN**

**WISCONSIN HEALTH AND EDUCATIONAL FACILITIES AUTHORITY
REVENUE BOND, SERIES 2024A
(MARSHFIELD CLINIC HEALTH SYSTEM, INC.)**

No. R-__

MATURITY

<u>DATE</u>	<u>DATED DATE</u>	<u>INTEREST RATE</u>	<u>CUSIP</u>
February 15, 20__	_____, 20__	_____%	_____

INITIAL MODE: _____

REGISTERED OWNER: _____

PRINCIPAL AMOUNT: _____ (\$[_____])

NOTICE OF LIMITED OBLIGATION

THE SERIES 2024A BONDS ARE LIMITED OBLIGATIONS OF THE AUTHORITY AND ARE PAYABLE SOLELY AND ONLY FROM THE REVENUES DESCRIBED BELOW. THE STATE OF WISCONSIN HAS NO LIABILITY WITH RESPECT TO THE SERIES 2024A BONDS. THE SERIES 2024A BONDS ARE NOT A DEBT OF THE STATE OF WISCONSIN. THE ISSUANCE OF THE SERIES 2024A BONDS DOES NOT, DIRECTLY OR INDIRECTLY OR CONTINGENTLY, OBLIGATE THE STATE OF WISCONSIN OR ANY POLITICAL SUBDIVISION OF IT TO LEVY ANY FORM OF TAXATION FOR THE SERIES 2024A BONDS OR TO MAKE ANY APPROPRIATION FOR THEIR PAYMENT. THE AUTHORITY HAS NO TAXING POWER. THE AUTHORITY

SHALL NOT BE OBLIGATED TO PAY THE PURCHASE PRICE OF THE SERIES 2024A BONDS FROM ANY SOURCE.

Under certain circumstances on certain dates described in the Bond Indenture this Series 2024A Bond is permitted to be or is required to be tendered for purchase to the Tender Agent or Bond Trustee at a price equal to 100% of the principal amount hereof (except as otherwise specified herein) plus, if such date is not an Interest Payment Date, interest accrued and unpaid hereon to but not including the date of such tender. The owner or beneficial owner hereof who elects to tender this Series 2024A Bond or its beneficial ownership interest, as the case may be, or is required to tender this Series 2024A Bond for purchase shall be entitled solely to the payment of such purchase price and shall not be entitled to the payment of any principal hereof or any interest accrued hereon on or after such date.

FOR VALUE RECEIVED, the WISCONSIN HEALTH AND EDUCATIONAL FACILITIES AUTHORITY (the "*Authority*"), a public body corporate and politic duly created and validly existing under the Chapter 231 of the Wisconsin Statutes, as amended (the "*Act*"), hereby promises to pay in lawful money of the United States of America to the registered owner set forth above, or registered assigns, on the Maturity Date specified above, unless this Series 2024A Bond is redeemable and has previously been called for redemption and payment of the redemption price made or provided for, but solely from amounts available under the Bond Trust Indenture relating to the Series 2024A Bonds dated as of July 1, 2024 (the "*Bond Indenture*") between the Authority and U.S. Bank Trust Company, National Association, as bond trustee (the "*Bond Trustee*"), amounts payable under the Loan Agreement identified below (other than Unassigned Rights), moneys held by the Bond Trustee under the Bond Indenture and payments on the Master Note (all as hereinafter referred to), which amounts and payments are pledged and assigned for the benefit and payment hereof pursuant to the Bond Indenture and not otherwise, upon surrender hereof (subject to the provisions hereinafter set forth and those set forth in the Bond Indenture), the principal amount set forth above and to pay interest thereon as provided in the Bond Indenture, payable on each Interest Payment Date. Interest on the Series 2024A Bonds shall be determined in accordance with the terms of the Bond Indenture.

Capitalized terms not defined herein shall have the meanings set forth in the Bond Indenture.

The payment of the principal or Redemption Price of and premium, if any, on any Series 2024A Bond when due, whether upon maturity, redemption, acceleration or otherwise, shall be payable by check in lawful money of the United States of America to the registered owners of the Series 2024A Bonds on such date upon presentation and surrender of the Series 2024A Bonds to be paid at the Principal Office of the Bond Trustee. Interest on the Series 2024A Bonds shall be paid to the Person whose name appears on the bond registration books of the Bond Trustee as the Holder thereof as of the close of business on the Record Date for each Interest Payment Date without the necessity of surrendering the Bond on which payment is being made. Payment of the interest on (i) any Series 2024A Bonds in a Daily Mode, a Weekly Mode, an Indexed Mode, a Bank Fixed Mode, a Bank Index Mode, a Commercial Paper Mode or a R-FLOATs Rate Mode shall be made by wire transfer in immediately available funds to an account within the United States of America designated by such Holder and (ii) any Series 2024A Bonds in a Term Rate Mode or a Fixed Rate Mode shall be made by check mailed by first

class mail to such Holder at its address as it appears on such registration books, or, upon the written request of any Holder of at least \$1,000,000 in aggregate principal amount of the Series 2024A Bonds, submitted to the Bond Trustee at least five Business Days prior to the Record Date, by wire transfer in immediately available funds to an account within the United States of America designated by such Holder. As long as Cede & Co. is the Holder of the Series 2024A Bonds, said principal or Redemption Price and interest payments shall be made to Cede & Co. by wire transfer in immediately available funds. The principal of and interest on Liquidity Facility Bonds shall be paid as set forth in the Reimbursement Agreement or the Liquidity Facility, as applicable, relating to such Liquidity Facility Bonds.

So long as the Series 2024A Bonds are held by a Securities Depository, payments of the principal of and interest on the Series 2024A Bonds shall be made in accordance with the requirements of the Securities Depository. The Series 2024A Bonds bearing interest at the Bank Index Rate, the Bank Fixed Rate or the Term-Out Rate shall be physical bonds and shall not be paid through a Securities Depository.

This Series 2024A Bond is one of a duly authorized series of Bonds designated “Wisconsin Health and Educational Facilities Authority Revenue Bonds, Series 2024A (Marshfield Clinic Health System, Inc.)” (the “*Series 2024A Bonds*”) in an aggregate principal amount of \$374,895,000. All of the Series 2024A Bonds are equally secured by the pledge and covenants made in the Bond Indenture, except to the extent otherwise provided therein. The proceeds of the Series 2024A Bonds have been loaned to Marshfield Clinic Health System, Inc. (the “*Corporation*”) and will be used for the purposes described in the Bond Indenture, all as permitted under the Act. The Series 2024A Bonds are all issued under and equally and ratably secured by and entitled to the security of the Bond Indenture.

The Authority has loaned the proceeds of the Series 2024A Bonds to the Corporation pursuant to a Loan Agreement dated as of July 1, 2024 (the “*Loan Agreement*”) between the Corporation and the Authority. The Corporation has agreed in the Loan Agreement to pay the Authority amounts sufficient to pay all amounts coming due on the Series 2024A Bonds, and the Authority has assigned its rights to such payments under the Loan Agreement to the Bond Trustee as security for the Series 2024A Bonds. The loan by the Authority to the Corporation from the proceeds of sale of the Series 2024A Bonds will be evidenced by the Corporation’s Series 2024B Master Note dated July 2, 2024 (the “*Master Note*”) issued under and pursuant to the Master Indenture identified in the Bond Indenture.

In the Loan Agreement, the Corporation has the option to provide a Credit Facility meeting the requirements of the Bond Indenture to secure the payment of the principal of and interest on the Series 2024A Bonds in an Eligible Moneys Mode when due. The Bond Trustee will, from time to time, at the written request of the Corporation, accept a Credit Facility, a Renewal Credit Facility or a Substitute Credit Facility if the conditions of the Bond Indenture are met. The Series 2024A Bonds are not initially supported by a Credit Facility.

In the Loan Agreement, the Corporation has the option to provide a Liquidity Facility meeting the requirements of the Bond Indenture to provide for the payment of the Purchase Price, when due, of Series 2024A Bonds in an Eligible Moneys Mode tendered and not remarketed. The Tender Agent will, from time to time, at the written request of the Corporation,

accept a Liquidity Facility, a Renewal Liquidity Facility or a Substitute Liquidity Facility if the conditions of the Bond Indenture are met. The Series 2024A Bonds are not initially supported by a Liquidity Facility.

The terms of the Master Note require payments by the Corporation which, together with other moneys available therefor, will be sufficient to provide for the payment of the principal of, premium, if any, and interest on the Series 2024A Bonds. Pursuant to the Bond Indenture, the Master Note is pledged and assigned and all of the right, title and interest of the Authority in and to the Loan Agreement (excluding Unassigned Rights) is assigned by the Authority to the Bond Trustee as security for the Series 2024A Bonds.

The Series 2024A Bonds shall initially be in the Fixed Rate Mode as set forth in Section 204 of the Bond Indenture. The Series 2024A Bonds of each maturity shall initially bear interest at the rates set forth in Section 204 of the Bond Indenture. The Series 2024A Bonds or a portion thereof may be converted to a different Mode as provided in Section 212 of the Bond Indenture. The initial Interest Payment Date shall be August 15, 2024.

Except when the Series 2024A Bonds are in the Bank Index Mode or a Bank Fixed Mode, the Series 2024A Bonds may operate in different Modes at the same time. Subject to the restrictions set forth in the Bond Indenture, Series 2024A Bonds may be changed to a different Mode at the times, in the manner, in the amounts and as otherwise specified in the Bond Indenture. Any change in Mode for the Series 2024A Bonds is subject to the restrictions and requirements of the Bond Indenture pertaining to changes in Mode.

Reference is made to the Bond Indenture, to all indentures supplemental thereto, to the Master Indenture, to all indentures supplemental thereto, and to the Loan Agreement and to all amendments thereto, for the provisions, among others, with respect to the nature and extent of the security, the rights, duties and obligations of the Authority, the Bond Trustee, and the Master Trustee and the rights of the owners of the Series 2024A Bonds, the terms upon which this Bond is issued, the terms upon which this Bond may be or is required to be redeemed, the terms upon which this Bond may be or is required to be tendered for purchase, the terms upon which the Mode of a Bond may be converted to a different Mode, a description of the property and interests pledged for the payment of the Bonds, and the terms and conditions upon which this Bond will be deemed to be paid, at or prior to maturity or prepayment of this Bond, upon the making of provision for payment hereof in the manner set forth in the Bond Indenture, and to all the provisions of which the owner hereof by the acceptance of this Bond assents. The owner of this Bond, by the acceptance hereof, is deemed to have agreed and consented to the terms and provisions of the Bond Indenture, the Loan Agreement and the Master Indenture.

This Bond is registered on the Bond Register and may be transferred by the registered owner hereof but only in the manner, subject to the limitations and upon the payment of the charges provided in the Bond Indenture. Upon surrender for transfer, a new fully registered bond or bonds, without coupons, of the same maturity and of Authorized Denominations for the aggregate principal amount which the registered owner is entitled to receive, shall be issued to the transferee in exchange therefor. The Authority and the Bond Trustee may deem and treat the person in whose name this Bond is registered as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal of and premium, if any, and interest due

hereon and for all other purposes, and neither the Authority, the Bond Trustee nor any Paying Agent shall be affected by any notice to the contrary. The Authority and the Bond Trustee shall not be required to register the transfer or exchange of any Series 2024A Bond after notice calling such Series 2024A Bond or portion thereof for redemption has been given as provided in the Bond Indenture, or during the fifteen-day period next preceding the mailing of a notice of redemption or mandatory tender of the Series 2024A Bonds of the same maturity.

The Series 2024A Bonds are subject to optional redemption, extraordinary optional redemption, mandatory sinking fund redemption, special sinking fund redemption, purchase in lieu of redemption and, in certain cases, optional and mandatory tender for purchase, as provided in the Bond Indenture.

Notice for the call for any redemption or purchase of the Series 2024A Bonds shall be given in accordance with the terms of the Bond Indenture. Failure to give notice in the manner prescribed in the Bond Indenture with respect to any Series 2024A Bond, or any defect in such notice, shall not affect the validity of the proceedings for redemption for any Series 2024A Bond with respect to which notice was properly given to the holder thereof. Upon the happening of the above conditions and if sufficient moneys are on deposit with the Bond Trustee on the applicable redemption or purchase date to redeem or purchase the Series 2024A Bonds to be redeemed or purchased and to pay interest due thereon and premium, if any, the Series 2024A Bonds thus called shall not bear interest after the applicable redemption or purchase date, be protected by the Bond Indenture or be deemed to be outstanding under the provisions of the Bond Indenture. If less than all of the Series 2024A Bonds shall be called for redemption or purchase under any provision of the Bond Indenture permitting such partial redemption, the particular Bonds or portions thereof to be redeemed shall be selected as required by the Bond Indenture.

This Series 2024A Bond and the interest and premium, if any, payable hereon and thereon, are limited obligations of the Authority as set forth above and are payable solely from (a) amounts drawn under a Credit Facility, if any, (b) payments or prepayments to be made on the Series 2024A Bonds, (c) amounts payable under the Loan Agreement (other than Unassigned Rights), (d) amounts on deposit in the funds created under the Bond Indenture to the extent provided in the Bond Indenture and (e) income from the temporary investment of any of the foregoing.

This Series 2024A Bond is registered on the Bond Register and may be transferred by the registered owner hereof at the written request of such registered owner in person or by his duly authorized attorney, but only in the manner, subject to the limitations and upon the payment of the charges provided in the Bond Indenture and upon surrender and cancellation of this Series 2024A Bond. Upon such transfer, a new fully registered bond or bonds, without coupons, of the same maturity and of authorized denominations for the same aggregate principal amount, will be issued to the transferee in exchange therefor. The Authority, the Bond Trustee and any paying agent may deem and treat the person in whose name this Series 2024A Bond is registered as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal, redemption premium, if any, Purchase Price and interest due hereon and for all other purposes, and neither the Authority, the Bond Trustee nor any paying agent shall be affected by any notice to the contrary. The Bond Trustee will not be required to register the transfer of or exchange any Series 2024A Bond (i) after notice calling such Series 2024A Bond or portion thereof for

redemption has been mailed as provided in the Bond Indenture, or (ii) during the fifteen-day period next preceding the mailing of notice of a redemption or mandatory tender of Series 2024A Bonds of the same maturity.

Provision for payment of all or any portion of the Series 2024A Bonds may be made and the Bond Indenture may be discharged prior to payment of the Series 2024A Bonds in the manner provided in the Bond Indenture. However, no such refunding or defeasance of the Bond Indenture is permitted if under any circumstances such refunding would result in the loss of any exemption for purposes of federal income taxation to which the interest on such Series 2024A Bonds would otherwise be entitled.

The owner of this Series 2024A Bond shall have no right to enforce the provisions of the Bond Indenture or to institute action to enforce the covenants therein, or to take any action with respect to any Event of Default under the Bond Indenture, or to institute, appear in or defend any suit or other proceedings with respect thereto, except as provided in the Bond Indenture. In certain events, on the conditions, in the manner and with the effect set forth in the Bond Indenture, the principal amount of all Bonds issued under the Bond Indenture and then outstanding may become or may be declared due and payable before the stated Maturity Date thereof, together with interest accrued thereon.

Modifications or alterations of the Bond Indenture, or of any supplements thereto, may be made only to the extent and in the circumstances permitted by the Bond Indenture.

The Authority hereby certifies that all conditions, acts and things required to exist, happen and be performed under the Act and under the Bond Indenture precedent to and in the issuance of this Bond exist, have happened and have been performed, and that the issuance, authentication and delivery of this Bond have been duly authorized by resolution of the Authority duly adopted.

This Bond and all other Bonds of the issue of which it forms a part are issued under and pursuant to the Act, and pursuant to a resolution adopted by the Authority. This Bond and the issue of which it forms a part are limited obligations of the Authority, the State and any political subdivision thereof, but are payable solely out from amounts drawn under a Credit Facility, if any, Bond proceeds, revenues and other amounts derived under the Loan Agreement, and the funds and accounts held under and pursuant to the Bond Indenture and pledged therefor. The Series 2024A Bonds, the interest thereon and any other payments or costs incident thereto do not constitute an indebtedness of the Authority, the State or any political subdivision thereof within the meaning of any constitutional or statutory provisions or a pledge of the faith and credit of the Authority. The Series 2024A Bonds and the interest payable thereon do not give rise to a pecuniary liability of the Authority or a charge against its general credit or taxing power of the Authority, the State of Wisconsin or any political subdivision thereof for the payment of the Series 2024A Bonds or the interest thereon or other payments or costs incident thereto. The Authority has no taxing power.

No recourse shall be had for the payment of the principal of, premium, if any, and interest on any of the Bonds or for any claim based thereon or upon any obligation, covenant or agreement in the Bond Indenture, the Loan Agreement or the Bond Purchase Agreement, against

any past, present or future member, officer, agent or employee of the Authority, or any incorporator, member, officer, employee, director or trustee of any successor corporation, as such, either directly or through the Authority or any successor corporation, under any rule of law or equity, statute or constitution or by the enforcement of any assessment or penalty or otherwise, and all such liability of any such incorporator, member, officer, employee, director, agent or trustee, as such, is hereby expressly waived and released as a condition of and consideration for the execution of the Bond Indenture, the Loan Agreement and the Bond Purchase Agreement and the issuance of any of the Series 2024A Bonds.

No covenant or agreement contained in this Series 2024A Bond or the Bond Indenture shall be deemed to be a covenant or agreement of any officer, agent or employee of the Authority in his or her individual capacity, and neither the governing body of the Authority nor any official executing this Bond shall be liable personally on this Bond or be subject to any personal liability or accountability by reason of the issuance of this Bond.

This Series 2024A Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Bond Indenture until the certificate of authentication hereon shall have been duly executed by the Bond Trustee.

In the event of any conflict between the terms of this Bond and the terms of the Bond Indenture, the terms of the Bond Indenture shall prevail.

IN WITNESS WHEREOF, the Wisconsin Health and Educational Facilities Authority has caused this Series 2024A Bond to be signed in its name by the manual or facsimile signatures of its Chairperson and Executive Director and to be sealed with a facsimile of its corporate seal.

WISCONSIN HEALTH AND EDUCATIONAL
FACILITIES AUTHORITY

(SEAL)

By _____
Chairperson

By _____
Executive Director

BOND TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This Series 2024A Bond is one of the Series 2024A Bonds of the issue described in the Bond Indenture.

Dated: _____

U.S. BANK TRUST COMPANY, NATIONAL
ASSOCIATION, as Bond Trustee

By _____
Authorized Signatory

ASSIGNMENT

FOR VALUE RECEIVED the undersigned sells, assigns and transfers to

Please insert Social Security or
other identifying number of assignee

(PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS,
INCLUDING ZIP CODE, OF ASSIGNEE)

this Series 2024A Bond, and all rights under it, hereby irrevocably constituting and appointing

_____ as attorney to transfer this Series
2024A Bond on the Registration Books of the Authority, with full power of substitution in the
premises.

Dated: _____, ____.

NOTICE: The signature to this assignment must correspond with the name of the Registered
Owner as it appears on the face of this Series 2024A Bond in every particular without alteration
or enlargement or any change whatever.

Signature(s) guaranteed by:

Exhibit B

Form of Purchaser Letter

[DATE]

[Existing Registered Owner]

[Address]

Wisconsin Health and Educational Facilities Authority
Brookfield, Wisconsin

Marshfield Clinic Health System, Inc.
Marshfield, Wisconsin

U.S. Bank Trust Company, National Association, as bond trustee
Milwaukee, Wisconsin

**Re: Wisconsin Health and Educational Facilities Authority Revenue Bonds,
Series 2024A (Marshfield Clinic Health System, Inc.)**

The undersigned officer of [] (the “*Purchaser*”) makes the following representations in connection with its purchase of \$[] of the Wisconsin Health and Educational Facilities Authority Revenue Bonds, Series 2024A (Marshfield Clinic Health System, Inc.) (the “*Debt Obligations*”):

1. The Purchaser has been provided with, or given access to, financial and other information it has requested of the Wisconsin Health and Educational Facilities Authority (the “*Authority*”) and of Marshfield Clinic Health System, Inc. and its affiliates (collectively, the “*Obligated Group*”) relating to the purchase of the Debt Obligations.

2. The Purchaser has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of the purchase of the Debt Obligations.

3. The Purchaser understands that no offering statement, prospectus, offering circular or other comprehensive offering statement containing material information with respect to the Debt Obligations, the Authority or the Obligated Group is being issued with respect to the Debt Obligations. The Purchaser has made its own inquiry and analysis with respect to the Debt Obligations and the security therefor and other material factors affecting the security for and the payment of the Debt Obligations.

4. The Purchaser understands that the Debt Obligations are not registered under any applicable federal or state laws or acts pertaining to the registration of obligations similar to the Debt Obligations. This purchase is being made for the purpose of investment and not with a present view of distribution or resale of the Debt Obligations but is subject, nevertheless, to any requirement of law that the disposition of the Debt Obligations at all times be within the control of the Purchaser or owners in rightful possession.

5. The Purchaser is purchasing the Debt Obligations for an amount equal to the principal amount of the Debt Obligations. The Debt Obligations are being acquired by the Purchaser for investment for its own account and not with a present view toward resale or distribution; provided, however, that the Purchaser reserves the right to sell, transfer or redistribute the Debt Obligations, but agrees that any such sale, transfer or distribution by the Purchaser shall be to a Person:

- (a) that is an affiliate of the Purchaser;
- (b) that is a trust or other custodial arrangement established by the Purchaser or one of its affiliates, the owners of any beneficial interest in which are limited to persons that are qualified to purchase or hold the Debt Obligations; or
- (c) that the Purchaser reasonably believes to be qualified to purchase or hold the Debt Obligations and who executes a purchaser letter substantially in the form of this letter.

6. Although at present there is no intention to resell the Debt Obligations, in the event that the Purchaser or an owner in rightful possession resells the Debt Obligations in the future, the Purchaser agrees that it will provide such information that it may have in its rightful possession and/or shall exercise its best efforts to induce the Authority and the Obligated Group to provide such information as may be needed to allow a subsequent purchaser to conduct its own inquiry and analysis with respect to the Debt Obligations and obtain such disclosure as may be necessary to comply with all relevant federal and related state laws in connection with such resale. In the event that an owner in rightful possession is no longer the Purchaser, including any client for whom it acts as a fiduciary, or mutual fund for which it acts as an advisor or servicer or any investment vehicle established by or for it or any of its affiliates, the Purchaser assumes no responsibility for either willful or negligent actions of such owner in rightful possession in connection with the subsequent sale of the Debt Obligations.

7. In entering into this transaction, the Purchaser has not relied upon any representations or opinions made by the Authority or its counsel relating to the financial consequences of the transaction (other than the opinion of Bond Counsel with respect to the tax-exempt status of the Debt Obligations), nor has it looked to, nor expected, the Authority to undertake or require any credit investigation or due diligence reviews relating to the Obligated Group, the financial condition or business operations of the Members of the Obligated Group, the facilities of the Members of the Obligated Group (including the financing, operation or management thereof), or any other matter pertaining to the merits or risks of the transaction, or the adequacy of any collateral pledged to secure repayment of the Debt Obligations.

[PURCHASER]

By: _____
Title: _____

**EXHIBIT C
TO
BOND TRUST INDENTURE**

**PROJECT FUND PAYMENT REQUISITION
No. _____
Series 2024A Bonds**

This Project Fund Payment Requisition is presented to U.S. Bank Trust Company, National Association, as Bond Trustee, to support a disbursement from the Project Fund created by Section 303 of a Bond Trust Indenture dated as of July 1, 2024 (the “*Bond Indenture*”) between the Bond Trustee and the Wisconsin Health and Educational Facilities Authority (the “*Authority*”) and pursuant to the terms of a Loan Agreement dated as of July 1, 2024 between Marshfield Clinic Health System, Inc. (the “*Corporation*”) and the Authority, each related to the Series 2024A Bonds identified in such Bond Trust Indenture and such Loan Agreement. Capitalized terms used in this Project Fund Payment Requisition have the same meanings as are attributed to them in such Bond Indenture.

The undersigned certifies that:

1. He/she is the Authorized Corporation Representative of the Corporation duly appointed pursuant to Article I of the Bond Indenture.

2. The Corporation requests that the amounts set forth on Schedule A be paid from the Project Fund:

to the persons identified on Schedule A to pay the Project Costs itemized in Schedule A*
or
to reimburse the Corporation or a Benefitted Affiliate for Project Costs paid by it*

**strike inappropriate clause*

Do any of the amounts set forth on Schedule A represent amounts that were paid by the Corporation or a Benefitted Affiliate before the Series 2024A Bonds were issued?

Yes _____ No _____

If yes, mark with a “” each of the amounts set forth on Schedule A that represent amounts paid by the Corporation before the Series 2024A Bonds were issued.*

3. Each amount set forth on Schedule A (A) has been properly paid or incurred in the amount and for the purpose specified on Schedule A, (B) is a proper charge against the Project Fund, (C) is chargeable to a capital account for federal income purposes, (D) is unpaid

(unless this is a request for reimbursement), (E) has not been the basis of any previous withdrawal from or certification for withdrawal from the Project Fund and (E) if an amount set forth on Schedule A is to reimburse the Corporation or a Benefitted Affiliate for an expenditure paid by the Corporation or a Benefitted Affiliate prior to the date on which the Series 2024A Bonds were issued, Schedule A specifies the prior expenditure.

4. *(A) After giving effect to the amounts requested to be paid by this disbursement 100% of the amounts that have been disbursed from the Project Fund has been or has reimbursed the Corporation or a Benefitted Affiliate for amounts that the Corporation or a Benefitted Affiliate has, (1) used to pay Project Costs, (2) used for the acquisition or improvement of land or the acquisition, construction, reconstruction or improvement of property of a character subject to the allowance for depreciation under Section 167 of the Code and (3) charged to a capital account of the Corporation or a Benefitted Affiliate or could have been so charged either with an election to do so or but for a proper election not to do so.

*(B) Attached hereto is an Opinion of Bond Counsel to the effect that the use of money in the Project Fund to pay amounts requested that do not comply with the requirements of Paragraph 4(A) above will not adversely affect the validity of the Series 2024A Bonds or any exclusion from gross income for federal income tax purposes to which interest on the Series 2024A Bonds would otherwise be entitled.

**strike inappropriate clause*

5. No Event of Default has occurred and is continuing and that nothing has occurred to the knowledge of the Corporation that prevents the performance by the Corporation of its obligations under the Corporation’s Documents.

6. All requirements of the Corporation’s Documents relevant to the disbursement of money from the Project Fund have been met.

7. *(A) Each item of cost included in this Requisition was taken into account in the calculation set forth in the Tax Exemption Agreement in which the weighted average reasonably expected economic life of the Bond Financed Property was made.

*(B) The reasonably expected economic life to the Corporation of the property for which payment is being requested, determined as of the later of the date on which the Series 2024A Bonds were issued or the date on which that property was or is expected to be placed in service, will not cause the weighted average maturity of the Bonds to exceed 120% of the weighted average reasonably expected economic life of the Bond Financed Property, taking into account the substituted or additional property, to be financed or refinanced, directly or indirectly, with the proceeds of the Series 2024A Bonds, determined in accordance with Section 147(b) of the Code and as calculated in Schedule B.

*(C) The Corporation has made arrangements to sufficiently shorten the average maturity of the Bonds so that the condition described in (B) above will be met through redemption or defeasance of the Bonds.

**strike the two inappropriate clauses*

8. The proceeds of this Requisition No. __ will be applied to facilities located only at those addresses set forth in the Notice(s) of Public Hearing attached as an exhibit to the Tax Exemption Agreement.

Dated: _____

Marshfield Clinic Health System, Inc.

By: _____
Authorized Corporation Representative

SCHEDULE A
TO
PROJECT FUND PAYMENT REQUISITION
NO. _____

Withdrawals from the Project Fund

<u>Payee's Name and Address</u>	<u>Project Cost Itemizations</u>	<u>Amounts Requisitioned</u>

Mark with a "" each of the amounts set forth on this Schedule A that represent amounts paid by the Corporation or a Benefited Affiliate before the Series 2024A Bonds were issued.*

SCHEDULE B
TO
PROJECT FUND PAYMENT REQUISITION
NO. _____

(A calculation of the reasonably expected economic life
of the property acquired with the proceeds
of this Requisition if required by Paragraph 7)

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APPENDIX D-2

COPY OF THE LOAN AGREEMENT

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WISCONSIN HEALTH AND EDUCATIONAL FACILITIES AUTHORITY

AND

MARSHFIELD CLINIC HEALTH SYSTEM, INC.

LOAN AGREEMENT

DATED AS OF JULY 1, 2024

In Regard to:

\$374,895,000

Wisconsin Health and Educational Facilities Authority

Revenue Bonds, Series 2024A

(Marshfield Clinic Health System, Inc.)

The rights of the Wisconsin Health and Educational Facilities Authority under this Loan Agreement, with certain exceptions, have been assigned to U.S. Bank Trust Company, National Association, as Bond Trustee under a Bond Trust Indenture dated as of July 1, 2024.

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LOAN AGREEMENT

THIS LOAN AGREEMENT (as amended, restated, supplemented or otherwise modified from time to time, this “*Loan Agreement*”) is dated as of July 1, 2024 and is between **MARSHFIELD CLINIC HEALTH SYSTEM, INC.**, a Wisconsin nonstock nonprofit corporation (the “*Corporation*”), and the **WISCONSIN HEALTH AND EDUCATIONAL FACILITIES AUTHORITY**.

PRELIMINARY STATEMENT

WHEREAS, pursuant to the powers of the Wisconsin Health and Educational Facilities Authority, a public body politic and corporate organized and existing under the laws of the State of Wisconsin (the “*Authority*”), under Chapter 231 of the Wisconsin Statutes (as from time to time amended, the “*Act*”) and in accordance with a resolution adopted by it, the Authority has, concurrently with the execution and delivery hereof, issued its Revenue Bonds, Series 2024A (Marshfield Clinic Health System, Inc.) in the aggregate principal amount of \$374,895,000 (the “*Series 2024A Bonds*”) under a Bond Trust Indenture dated as of July 1, 2024 (as amended, restated, supplemented or otherwise modified from time to time, the “*Bond Indenture*”) between the Authority and U.S. Bank Trust Company, National Association, as the initial Bond Trustee.

WHEREAS, the Authority is loaning the proceeds from the sale of the Series 2024A Bonds to the Corporation pursuant to this Loan Agreement in order to (a) finance or reimburse the Corporation or a Benefitted Affiliate (as defined in the Bond Indenture) for certain costs of the acquisition, construction, renovation and equipping of the Project (as defined in the Bond Indenture), (b) currently refund all or a portion of the Prior Bonds (as defined in the Bond Indenture) and (c) pay certain costs associated with the issuance of the Bonds, including the premium for the Bond Insurance Policy (as defined in the Bond Indenture) for the Insured Bonds (as defined in the Bond Indenture), and the refunding of the Prior Bonds. In order to evidence and secure its obligations hereunder, the Corporation has, concurrently with the delivery of this Loan Agreement, issued to the Authority the Marshfield Clinic Health System, Inc. Obligated Group Series 2024B Master Note dated July 2, 2024 (the “*Master Note*”) in the principal amount of \$374,895,000. The Master Note has been issued under and pursuant to the Master Indenture (as defined in the Bond Indenture). The Master Note will be substantially in the form set forth in the Supplement (as defined in the Bond Indenture).

WHEREAS, pursuant to the Bond Indenture, the Authority has assigned the Master Note and its rights under this Loan Agreement (other than the Unassigned Rights, as defined in the Bond Indenture) to the Bond Trustee as security for the Series 2024A Bonds. The Series 2024A Bonds will be payable solely out of the payments to be made by the Corporation on the Master Note and other funds and security provided for herein and in the Bond Indenture.

NOW, THEREFORE, in consideration of execution and delivery of this Loan Agreement, the issuance of the Master Note and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Corporation and the Authority agree as follows:

ARTICLE I DEFINITIONS

Section 1.1. Definitions. The terms used in this Loan Agreement, unless the context requires otherwise, have the same meanings as set forth in the Bond Indenture or in the Master Indenture, as the case may be. All accounting terms not otherwise defined in the Bond Indenture, the Master Indenture or herein have the meanings assigned to them in accordance with generally accepted accounting principles then in effect.

Section 1.2. Rules of Interpretation. For purposes of this Loan Agreement, except as is otherwise expressly provided or unless the context otherwise requires:

- (a) all references in this Loan Agreement to designated “Articles,” “Sections” and other subdivisions are to the designated Articles, Sections and other subdivisions of this instrument as originally executed;
- (b) the words “herein”, “hereof” and “hereunder” and other similar words refer to this Loan Agreement as a whole and not to any particular Article, Section or other subdivision unless the context indicates otherwise;
- (c) the definitions in this Article are applicable whether the terms defined are used in the singular or the plural;
- (d) all accounting terms which are not defined in this Loan Agreement have the meanings assigned to them in accordance with generally accepted accounting principles;
- (e) any terms which are not defined in this Loan Agreement but which are defined in the Bond Indenture or the Master Indenture have the same meanings in this Loan Agreement as are given to them in the Bond Indenture or the Master Indenture;
- (f) any pronouns used in this Loan Agreement include both the singular and the plural and cover both genders;
- (g) any terms defined elsewhere in this Loan Agreement have the meanings attributed to them where defined;
- (h) this Loan Agreement is to be governed by the internal laws of the State; and
- (i) any reference to a rating assigned by S&P, Moody’s, Fitch or another national rating agency is to the rating indicated, without regard to any refinement or gradation of the rating category by numerical modifier or otherwise.

ARTICLE II REPRESENTATIONS

Section 2.1. Representations by the Authority. The Authority represents and warrants that:

- (a) it is a public body corporate and politic organized and existing under the laws of the State and will do or cause to be done all things within its power necessary to preserve its existence;
- (b) the Authority has duly authorized the issuance, execution, delivery and performance of each of the Authority’s Documents; and
- (c) the Authority has not pledged or assigned and will not pledge or assign its interest in any of the Authority’s Documents or Corporation’s Document other than to secure the Series 2024A Bonds from time to time outstanding as provided in the Bond Indenture.

Section 2.2. Representations and Warranties by the Corporation. The Corporation makes the following representations and warranties as the basis for the covenants herein:

- (a) each of its representations, warranties and certifications contained in this Corporation’s Documents, the Master Indenture and the Corporation’s Closing Certificate is as of the date hereof true and correct in all material respects;
- (b) it is duly authorized under the laws of the State and all other applicable provisions of law and its articles of incorporation and by-laws to create and issue the Master Note and to execute and deliver the Supplement and this Loan Agreement and each of the other Corporation’s Documents, that all action on its part necessary for the valid creation and issuance of the Master Note and the valid execution and delivery of the Supplement and this Loan Agreement and each of the other Corporation’s Documents has been duly and effectively taken, and the Master Note in the hands of its holder is the legal and valid obligation of the Corporation; and
- (c) it and each Benefited Affiliate has all material licenses and permits from all State, local and other governmental and regulatory agencies having jurisdiction required for the current operation of its facilities and the consummation of the transactions contemplated hereby.

ARTICLE III [RESERVED]

ARTICLE IV ISSUANCE OF SERIES 2024A BONDS OF THE AUTHORITY

Section 4.1. Proceeds of Series 2024A Bonds. The Corporation agrees that the proceeds of the Series 2024A Bonds being loaned to the Corporation shall be deposited with the Bond Trustee and applied for the benefit of the Corporation and the Benefited Affiliates as provided in the Bond Indenture.

Section 4.2. Payment of Series 2024A Bonds. The Corporation agrees that the principal and purchase price of, premium, if any, and interest on the Series 2024A Bonds shall be made payable in accordance with the provisions of the Bond Indenture and this Loan Agreement. The Corporation further agrees that this Loan Agreement, the Master Note and payments to be made thereunder (excluding Unassigned Rights) and thereon shall be assigned and pledged to the Bond Trustee to secure the payment of the Series 2024A Bonds. The foregoing notwithstanding, the Corporation agrees that the moneys and securities, if any, on deposit in the Rebate Fund and the Purchase Fund are not part of the “trust estate” and are not available to make payments of principal, premium, if any, and interest on the Series 2024A Bonds.

Section 4.3. Right of Bond Trustee to Enforce this Loan Agreement and Master Note Pledged under the Bond Indenture. The Corporation agrees that the Master Note and this Loan Agreement and all of the rights, interests, powers, privileges and benefits accruing to or vested in the Authority under the Master Note pledged under the Bond Indenture and this Loan Agreement may be protected and enforced in conformity with the Bond Indenture and, except for Unassigned Rights, will be thereby assigned by the Authority to the Bond Trustee as additional security for the Series 2024A Bonds and may be exercised, protected and enforced for or on behalf of the Bondholders in conformity with the provisions of this Loan Agreement, the Master Indenture and the Bond Indenture.

ARTICLE V NOTE PAYMENTS; FUND DEPOSITS; PREPAYMENTS AND OTHER PAYMENTS

Section 5.1. Payment of Principal, Premium, If Any, and Interest; Payments under Tax Exemption Agreement; Delivery of Acquired Bonds. The Corporation agrees that it will duly and punctually pay the principal of, premium, if any, and interest on and Purchase Price of the Series 2024A Bonds in the amounts, at the dates and the places and in the manner mentioned in this Loan Agreement, according to the true intent and meaning thereof and hereof. Notwithstanding any schedule of payments upon the Master Note, the Corporation agrees to make payments hereunder and be liable hereunder on such dates, in the manner, at the places, at such times and in such amounts (including principal, premium, if any, and interest) so as to provide for payment of the principal of, premium, if any, and interest on the Series 2024A Bonds outstanding under the Bond Indenture when due, whether upon a scheduled interest payment date, at maturity, by mandatory redemption, upon acceleration of the Series 2024A Bonds or otherwise.

The Corporation also agrees to make any payments required to be made by the provisions of the Tax Exemption Agreement. The Corporation’s obligations under this paragraph shall survive the termination of this Loan Agreement.

Section 5.2. Payments Hereunder. The Corporation covenants and agrees to make the following payments directly to the Bond Trustee for deposit into the appropriate fund on the following dates:

(a) Interest: (x) During the Commercial Paper Mode, the Indexed Mode, the Daily Mode, the Weekly Mode, the Term Rate Mode, the Bank Index Mode, the Bank Fixed Mode and the R-FLOATs Rate Mode: On or before each Interest Payment Date

during a Commercial Paper Mode, Indexed Mode, Daily Mode, Weekly Mode, Term Rate Mode, the Bank Index Mode, the Bank Fixed Mode and the R-FLOATs Rate Mode, an amount not less than the amount of interest to become due on the Series 2024A Bonds on such Interest Payment Date; provided, however, that the Corporation may be entitled to certain credits on such payments as permitted under Section 5.4 hereof.

(y) During the Fixed Rate Mode. On or before each February 15 and August 15 during a Fixed Rate Mode, an amount not less than the amount of interest to become due on the Series 2024A Bonds on the next succeeding Interest Payment Date; provided, however, that the Corporation may be entitled to certain credits on such payments as permitted under Section 5.4 hereof.

(b) Principal: On or before each Maturity Date and mandatory Bond Sinking Fund redemption date, an amount equal to not less than the next installment of principal becoming due on the Series 2024A Bonds by maturity or mandatory Bond Sinking Fund redemption or by special mandatory redemption under Section 502 of the Bond Indenture; provided, however, that the Corporation may be entitled to certain credits on such payments as permitted under Section 5.4 hereof.

(c) Insufficient Funds. If at any time the Corporation receives a notice from the Bond Trustee pursuant to Section 410 of the Bond Indenture that there are insufficient funds on deposit in the Interest Fund, Bond Sinking Fund or Redemption Fund and demanding payment thereof by the Corporation, the Corporation shall immediately provide immediately available funds to the Bond Trustee in the amount necessary for the Bond Trustee to make timely payments of debt service to bondholders.

(d) Purchase Price. If no Liquidity Facility is in effect pursuant to the provisions of Section 7.10(d) hereof, at or before 2:30 p.m., New York City time, on any Purchase Date or Mandatory Purchase Date, an amount sufficient, together with the proceeds of the remarketing of tendered Series 2024A Bonds, to enable the Tender Agent to pay the Purchase Price in connection therewith, as specified in a notice to the Corporation from the Tender Agent in accordance with Section 509(C)(3) of the Bond Indenture. If at any time when a Liquidity Facility is in effect and the Corporation receives a notice from the Tender Agent or the Bond Trustee pursuant to Section 509(C) of the Bond Indenture that there are insufficient funds available in the Purchase Fund to pay the Purchase Price of tendered Series 2024A Bonds on any Purchase Date, the Corporation shall immediately provide immediately available funds to the Tender Agent in the amount of such insufficiency.

Section 5.3. [Reserved]

Section 5.4. Credits on Loan Payments. Notwithstanding any provision contained in this Loan Agreement or in the Bond Indenture to the contrary, in addition to any credits on the amount owing hereunder resulting from payments on the Master Note or resulting from the payment or prepayment of the amount owing hereunder from other sources (other than amounts drawn under the Bond Insurance Policy):

(a) any moneys irrevocably deposited by the Corporation or by the Bond Trustee on the Corporation's behalf in the Interest Fund, including Eligible Moneys on deposit in the LOC Interest Account, or transferred by the Corporation directly to the Purchaser in payment of interest on the Bonds as permitted under Section 402 of the Bond Indenture, shall be credited against the obligation of the Corporation under Section 5.2(a) hereof to pay interest on the amount owing hereunder as the same becomes due;

(b) any moneys irrevocably deposited by the Corporation or by the Bond Trustee on the Corporation's behalf in the Bond Sinking Fund, including Eligible Moneys on deposit in the LOC Principal Account, or transferred by the Corporation directly to the Purchaser in payment of principal of the Bonds as permitted under Section 402 of the Bond Indenture, shall be credited against the obligation of the Corporation under Section 5.2(b) hereof to pay the principal of the amount owing hereunder as the same becomes due and in the order of maturity to the same extent as payments are applied upon the Series 2024A Bonds through the Bond Sinking Fund; and

(c) the principal amount of the Series 2024A Bonds of any maturity purchased by the Corporation and delivered to the Bond Trustee, or purchased by the Bond Trustee on behalf of the Corporation upon the direction of the Corporation and canceled, shall be credited against the obligation of the Corporation to pay principal pursuant to Section 5.2(b) (including installment payments corresponding to mandatory sinking fund payments on such Series 2024A Bonds) on the Series 2024A Bonds of such subseries, if any, and maturity.

Section 5.5. Prepayment. The Corporation shall be permitted to prepay the amount owing hereunder so as to provide for any prepayment of the Series 2024A Bonds in accordance with the Bond Indenture and, if the Series 2024A Bonds are accelerated, shall be required to prepay the amount owing hereunder so as to provide for any acceleration. No other prepayment of the amount owing hereunder shall be permitted.

Section 5.6. Notice of Prepayment. The Corporation shall provide the Authority, the Bond Trustee and the Purchaser (if any) with a Written Request of any optional prepayment of the Master Note and any related redemption of Series 2024A Bonds in accordance with Section 501(C) of the Bond Indenture and, in accordance with Article XIV, to the Bond Insurer with respect to any optional prepayment of the Master Note and any related redemption of Insured Bonds, which Written Request shall designate the date of prepayment and the amount thereof and direct the redemption of Series 2024A Bonds in the amounts corresponding to the Master Note prepayment. Such notice may be withdrawn by the Corporation prior to delivery of the Bond Trustee's notice of redemption pursuant to Section 503 of the Bond Indenture.

Section 5.7. Effect of Partial Prepayment. Upon any partial prepayment of the amount owing hereunder, each installment of interest which shall thereafter be payable hereunder and on the Master Note shall be reduced, taking into account the interest rate or rates on the corresponding Series 2024A Bonds remaining outstanding after the redemption of Series 2024A Bonds from the proceeds of such partial prepayment and after the purchase and delivery and cancellation of Series 2024A Bonds described in Section 5.4(c) hereof, so that the interest

remaining payable hereunder and on the Master Note shall be sufficient to pay the interest on the outstanding Series 2024A Bonds when due.

Section 5.8. Amortization Schedules. On the date of any partial prepayment of the Master Note, the Corporation shall deliver to the Authority and the Bond Trustee two copies of an amortization schedule with respect to the principal amount outstanding setting forth the amount of the principal installments to be paid on the Master Note after the date of such partial prepayment and the unpaid principal balance of the Master Note after payment of each such installment.

Section 5.9. Additional Payments. The Corporation will pay the following within 30 days after receipt of a bill therefor:

(a) the Authority's Expenses and the Authority's Annual Fee, such fees and expenses to be paid directly to the Authority;

(b) (i) the fees and expenses of the Bond Trustee and the Master Trustee (including any expenses in connection with any redemption of the Series 2024A Bonds), and (ii) all fees and expenses, including reasonable attorney's fees, of the Bond Trustee for any extraordinary services rendered by it under the Bond Indenture (all such fees and expenses are to be paid directly to the Bond Trustee or the Master Trustee for its own account as and when such fees and expenses become due and payable);

(c) any amounts owed to the Bond Insurer pursuant to Article XIV of the Bond Indenture; and

(d) all other reasonable fees and expenses incurred in connection with the issuance of the Series 2024A Bonds and the refunding of the Prior Bonds.

Section 5.10. Corporation's Obligations Unconditional. The Authority and the Corporation agree that the Corporation shall bear all risk of damage to or destruction in whole or in part to the Corporation's Property, or any part thereof, including without limitation any loss, complete or partial, or interruption in the use, occupancy or operation of such Property, or any manner or thing which for any reason interferes with, prevents or renders burdensome, the use or occupancy of its Property or the compliance by the Corporation with any of the terms of this Loan Agreement. In furtherance of the foregoing, but without limiting any of the other provisions of this Loan Agreement, the Corporation agrees that its obligations to pay the principal, premium, if any, and interest owing hereunder, to pay the other sums herein provided for and to perform and observe its other agreements contained herein shall be absolute and unconditional and that the Corporation shall not be entitled to any abatement or diminution thereof nor to any termination of this Loan Agreement for any reason whatsoever. Under no circumstances shall payments on the Series 2024A Bonds made pursuant to payments by a Credit Facility Provider under a Credit Facility, if any, diminish, abate or otherwise discharge the obligations of the Corporation under this Loan Agreement or upon the Master Note.

ARTICLE VI
THE PROJECT; COVENANTS RELATING TO THE USE AND
OPERATION OF BOND FINANCED PROPERTY

Section 6.1. Agreement To Complete the Project. The Corporation agrees to complete or cause the completion of the Project. The Corporation also agrees to construct, acquire and install any additional land, improvements or equipment that are reasonably necessary, in the judgment of the Corporation, for the operation of the Project.

Section 6.2. Project Changes. The Corporation may make changes in the Project (as more specifically described in the Tax Exemption Agreement) after the Loan has been made if:

(a) the Corporation delivers to the Authority and the Bond Trustee an amended description of the Project substantially in the form as is included in the Tax Exemption Agreement, that specifically identifies the additions, deletions or changes to the Project that the Corporation wishes to make,

(b) the Corporation certifies in writing to the Bond Trustee and the Authority either (i) that the proposed changes when aggregated with any other changes previously made by the Corporation will not cause the weighted average maturity of the Bonds to exceed 120% of the weighted average reasonably expected economic life of the Bond Financed Property, calculated in accordance with Section 147 of the Code, or (ii) that the Corporation will shorten the weighted average maturity of the Bonds so that it does not exceed 120% of the weighted average reasonably expected economic life of the Bond Financed Property, calculated in accordance with Section 147 of the Code, through a redemption or defeasance of a portion, if necessary, of the Bonds,

(c) the Corporation certifies in writing to the Bond Trustee and the Authority that the proposed change will not cause the Project (i) to include property other than the property described in the notice of public hearing relating to the Series 2024A Bonds published in accordance with Section 147(f) of the Code or (ii) to include property that does not constitute a “project” under the Act, and

(d) the changes proposed by the Corporation will not adversely affect the validity of the Series 2024A Bonds or any exclusion from gross income for federal income tax purposes to which interest on the Bonds would otherwise be entitled and, if requested by the Authority or the Bond Trustee, an Opinion of Bond Counsel to that effect is delivered to the Authority and Bond Trustee.

Section 6.3. Disbursements from the Project Fund and Expense Fund.

(a) Disbursements will be made from the Project Fund either to pay Project Costs directly or to reimburse the Corporation or a Benefitted Affiliate, as applicable, for Project Costs actually paid by it. Disbursements will be made by the Bond Trustee upon receipt of a completed requisition substantially in the form attached as Exhibit C to the Bond Indenture that has been signed by the Authorized Corporation Representative.

(b) Disbursements will be made from the Expense Fund either to pay Issuing Expenses directly or to reimburse the Corporation for Issuing Expenses actually paid by

it. Disbursements will be made by the Bond Trustee upon receipt of a written request signed by the Authorized Corporation Representative that identifies the Issuing Expenses for which payment or reimbursement is due and gives the name, address and amount then due to that person. No money on deposit in any fund or account created by the Bond Indenture will be used to pay Issuing Expenses other than money on deposit in the Expense Fund.

(c) The Corporation agrees to indemnify the Authority and the Bond Trustee from any liability incurred in connection with any disbursement approved by the Authorized Corporation Representative. The Corporation agrees that the Bond Trustee may withhold the disbursement of funds from the Project Fund and the Expense Fund if the request for disbursement does not conform to the provisions of this Section or if an Event of Default has occurred and is continuing.

Section 6.4. Establishment of the Completion Date. Upon the completion of all of the respective components of the Project to be financed with proceeds of the Bonds, the Corporation agrees to deliver a Completion Certificate to the Bond Trustee and the Authority.

Section 6.5. Project Fund Insufficiency. If amounts in the Project Fund available for the payment of Project Costs are insufficient to pay the costs of the Project in full, the Corporation agrees to complete the Project with another source of funds other than proceeds of the Series 2024A Bonds. If amounts in the Expense Fund available for the payment of Issuing Expenses are insufficient to pay Issuing Expenses in full, the Corporation agrees to complete the payment of the Issuing Expenses from its own funds.

Section 6.6. Inspection of Bond Financed Property. The Corporation agrees that each of the Authority, the Bond Trustee and the authorized agents of either of them, on reasonable prior notice and as often as the Authority and the Bond Trustee reasonably determine to be desirable, (a) have the right at reasonable times to enter upon the Facilities in order to examine and inspect the Bond Financed Property, (b) have the right to any access to the Facilities that is reasonably necessary to complete the Project or repair and maintain the Bond Financed Property in the event the Corporation or a Benefitted Affiliate fails to do so, (c) will be permitted to discuss the affairs and finances of the Corporation with its officers and independent accountants and (d) subject to applicable patient privacy and confidentiality laws and regulations will be permitted at all reasonable times to examine and copy the books and records of the Corporation with respect to the Bond Financed Property; provided, however, the Corporation shall not be required to disclose or discuss information that it is required to hold confidential either by law or contract.

Section 6.7. Enforcement of Contract and Surety Bonds. In the event of a material default of any contractor or subcontractor under any construction contract or any other contract made in connection with the Project, or in the event of a material breach of warranty with respect to any materials, workmanship or performance, the Corporation will promptly proceed, either separately or in conjunction with others, to pursue diligently the remedies of the Corporation against the contractor or subcontractor in default and against any surety on a bond securing the performance of such contract. Any amounts recovered by way of damages, refunds, adjustments or otherwise in connection with the foregoing, after deduction of expenses incurred in such recovery and after reimbursement to the Corporation of any amounts therefore paid by the

Corporation and not previously reimbursed to the Corporation for correcting or remedying of the default that gave rise to the proceedings against the contractor, subcontractor or surety, shall be paid into the Project Fund if received before the completion of the Project, and otherwise shall be paid into the Prepayment Account of the Bond Fund.

Section 6.8. Compliance with Laws. Subject to the following sentence, the Corporation will and will cause each Benefited Affiliate to, at its sole cost and expense, comply with all present and future laws, ordinances, orders, decrees, rules, regulations and requirements of every duly constituted governmental authority, commission and court (collectively, a “Governmental Rule”) of which the Corporation has notice and the violation of which would materially and adversely affect the Bond Financed Property or its use, occupancy, or condition. The Corporation is not required to comply with any Governmental Rule so long as the Corporation, in good faith and at its own cost and expense, is contesting the validity of the Governmental Rule or its applicability to the Corporation or is taking other appropriate action in an appropriate manner and by appropriate proceedings which operate during its pendency to prevent the sale, forfeiture, loss or loss of use and occupancy of the Bond Financed Property or any part of it; provided that no contest, action or proceeding may subject the Authority or the Bond Trustee to any liability unless the Corporation had indemnified the Authority or the Bond Trustee, as the case may be, to the satisfaction of the Authority or the Bond Trustee.

ARTICLE VII PARTICULAR COVENANTS OF THE CORPORATION

Section 7.1. Sufficient Revenues. Notwithstanding any other provision of this Loan Agreement or any other of the Corporation’s Documents or the Master Indenture, the Corporation unconditionally agrees that it will pay pursuant to this Loan Agreement and the Master Note the full amount needed and at the times needed to enable the Authority to make timely payment of the principal of (whether due upon maturity, redemption, acceleration, purchase or otherwise), purchase price of, premium, if any, and interest on the Bonds.

Section 7.2. Consent to Assignment of Loan Agreement Rights and the Master Note to the Bond Trustee. The Corporation acknowledges and consents to the pledge and assignment of this Loan Agreement (excluding Unassigned Rights), the Master Note and payments to be made hereunder and thereunder, and of the Authority’s rights hereunder (excluding Unassigned Rights) to the Bond Trustee pursuant to the Bond Indenture to secure payment of the Series 2024A Bonds and agrees that the Bond Trustee may, on behalf of the owners of the Series 2024A Bonds, enforce the rights, remedies and privileges granted to the Authority hereunder and under the Master Note, other than the Unassigned Rights.

Section 7.3. Maintenance; Recording.

(a) The Corporation will, at its own expense, take all necessary action to maintain and preserve this Loan Agreement and the Master Indenture so long as the Master Note is outstanding.

(b) The Corporation will, forthwith after the execution and delivery of this Loan Agreement and the Master Indenture and thereafter from time to time, cause this Loan Agreement and the Master Indenture, including any amendments thereof and supplements

thereto, and any financing statements in respect thereof to be filed, registered and recorded in such manner and in such places as may be required by law in order to publish notice of and fully to perfect and protect (i) the lien and security interest thereof upon and the title of the Corporation and the Benefited Affiliates to the Bond Financed Property, and (ii) the lien and security interest therein granted to the Bond Trustee or owner of the Series 2024A Bonds to the rights, if any, of the Authority assigned under this Loan Agreement and the Master Indenture, and from time to time will perform or cause to be performed all other acts as provided by law and will execute or cause to be executed any and all continuation statements and further instruments necessary for such publication, perfection and protection. Except to the extent it is exempt therefrom, the Corporation will pay or cause to be paid all filing, registration and recording fees incident to such filing, registration and recording, and all expenses incident to the preparation, execution and acknowledgment of such instruments of further assurance, and all Federal or State fees and other similar fees, duties, imposts, assessments and charges arising out of or in connection with the execution and delivery of this Loan Agreement and the Master Indenture and such instruments of further assurance.

(c) The Authority shall have no responsibility for the preparation, filing or recording of any instrument, document or financing statement or for the maintenance of any security interest intended to be perfected thereby. The Authority shall execute such instruments provided to it by the Corporation as may be reasonably necessary in connection with such filing or recording.

Section 7.4. Financial Information and Reports. The Corporation agrees to (a) keep accurate books of record and account in which full, true and correct entries will be made of all the Corporation’s business and affairs in accordance with generally accepted accounting principles consistently applied and (b) furnish to the Financial Statement Recipients, at the same time it is provided to the Master Trustee, the materials and notices required to be delivered to the Master Trustee under Section 4.11 of the Master Indenture. The Bond Trustee shall have no duty to review or analyze any financial statements provided to the Bond Trustee pursuant to this Section and shall hold such financial statements solely as a repository for the benefit of the Bondholders; and the Bond Trustee shall not be deemed to have notice of any information contained therein or determinable from information contained therein or any event of default which may be disclosed therein.

Section 7.5. Indemnity.

(a) The Corporation agrees to pay, and agrees to protect, indemnify and save the Authority, the Bond Trustee and their respective officers, employees, directors and members harmless from and against any and all liabilities, losses, damages, costs, expenses (including reasonable attorneys’ fees), causes of action, settlements, judgments or other obligations of any nature arising through any suits, claims, demands, actions or proceedings of any nature arising from, in connection with or as a result of

(i) any injury to or death of any person or damage to property in or upon the Facility or resulting from or connected with the use, non-use, condition or occupancy of the Facility or any part of it,

(ii) the violation of any agreement or condition of this Loan Agreement except by the Authority,

(iii) the violation of any contract, agreement or restriction by the Corporation or a Benefited Affiliate relating to the Facility,

(iv) the violation of any law, ordinance or regulation arising out of the ownership, occupancy or use of the Facility or any part of it,

(v) the issuance and sale of the Bonds or the execution, delivery and performance of the Corporation's Documents or the Bond Indenture,

(vi) the construction, acquisition, equipping and installation of the Project or the failure to construct, acquire, equip or install the Project,

(vii) any act of the Corporation or a Benefited Affiliate or any of their agents, contractors or licensees and

(viii) any statement or information concerning the Corporation, its officers and members or the Facility contained in the official statement for the Bonds or any other final official statement or prospectus furnished to purchasers of any securities that is untrue or incorrect in any material respect and any omission from any official statement or prospectus of any statement or information which should be contained in it for the purpose for which it is to be used or which is necessary to make the statements in it concerning the Corporation, its officers and members or the Facility not misleading in any material respect, if such other final official statement or prospectus is approved in writing by the Corporation.

Such indemnity shall extend to each person, if any, who "controls" the Authority or the Bond Trustee, as the case may be, as that term is defined in Section 15 of the Securities Act of 1933, as amended. Nothing contained in this Loan Agreement prohibits the Corporation from pursuing its remedies against the Authority or the Bond Trustee for damages which have resulted from the Authority's or Bond Trustee's gross negligence or willful misconduct.

(b) The Corporation also agrees to indemnify and hold harmless the Bond Trustee against any loss, liability or expense incurred without gross negligence or willful misconduct on the part of the Bond Trustee arising out of or in connection with the acceptance or administration of the Bond Indenture including the costs and expense of a defense against any claim or liability.

(c) If any suit, claim, demand, action or proceeding is brought against the Authority or the Bond Trustee with respect to which indemnity may be sought under this Section, the Authority and the Bond Trustee, as the case may be, agree to promptly notify the Corporation in writing and the Corporation agrees to assume the defense of the suit, claim, demand, action or proceeding including the employment of Counsel and the payment of all expenses. Each of the Authority and the Bond Trustee may, however, retain its own counsel and still be indemnified against the cost of employing counsel and all other expenses despite an assumption of the defense by the Corporation if the Authority or the Bond Trustee believes in good faith that there are defenses available to it which are not available to the Corporation or which are adverse to or in conflict with those available to the Corporation or which the Authority or the Bond Trustee

believes in good faith cannot be effectively asserted by common counsel. The Authority and the Bond Trustee always have the right to employ separate Counsel but, subject to the preceding sentence, the fees and expenses of its separate Counsel must be paid by the Authority or the Bond Trustee unless the Corporation and the Authority or the Bond Trustee have mutually agreed to the employment of the Authority's or the Bond Trustee's separate Counsel. The Corporation is not liable for any settlement of a suit, claim, demand, action or proceeding effected without its written consent. If the suit, claim, demand, action or proceeding is settled with the consent of the Corporation or results in a final judgment for the plaintiff, the Corporation agrees to indemnify and hold harmless the Authority and the Bond Trustee from and against any loss or liability by reason of the settlement or judgment.

(d) All amounts payable to the Authority under this Section 7.5 shall be deemed to be fees and expenses payable to the Authority for the purposes of the provisions hereof and of the Bond Indenture dealing with assignment of the Authority's rights hereunder. The Authority and its members, officers, agents, employees and their successors and assigns shall not be liable to the Corporation for any reason, except pursuant to the last sentence of Section 7.5(a).

(e) Any provision of this Loan Agreement or any other instrument or document executed and delivered in connection therewith to the contrary notwithstanding, the Authority retains the right to (i) enforce any applicable Federal or State law or regulation or resolution of the Authority, and (ii) enforce any rights accorded to the Authority by Federal or State law or regulation of the Authority, and nothing in this Agreement shall be construed as an express or implied waiver thereof.

(f) The provisions of this Section 7.5 shall survive the termination of this Loan Agreement and the resignation or removal of the Bond Trustee.

Section 7.6. Licensure and Approvals. The Corporation represents that it or a Benefited Affiliate has all State and local licenses and approvals currently available and required for the construction of the Project and the operation of the Facilities.

Section 7.7. Notice of Event of Default. The Corporation agrees to give to the Bond Trustee notice of any "event of default" under this Loan Agreement within ten (10) days of the Corporation or any of its officers learning of the occurrence of the "event of default."

Section 7.8. Maintenance of Tax Status. The Corporation agrees that it and each Benefited Affiliate will at all times maintain its existence as a nonprofit corporation and its status as an organization described in Section 501(c)(3) of the Code and exempt from federal income taxation under Section 501(a) of the Code. The Corporation agrees that it will not take any action or permit any action to be taken by others which will adversely affect its agreement made in this paragraph.

Section 7.9. Maintenance of Existence. Except as otherwise provided in the Master Indenture, the Corporation agrees that during the term of this Loan Agreement it will maintain its corporate existence and will be duly qualified to transact business in the State, will not dissolve, will not sell, lease, transfer or otherwise dispose of all or substantially all of its assets, will not receive from any other corporation by sale, lease, transfer or otherwise all or substantially all of

its assets, will not consolidate with or merge into another corporation and will not permit one or more other corporations to consolidate with or merge into it.

Section 7.10. Liquidity Facility; Substitute Liquidity Facility.

(a) Subject to Section 7.10(d) below, when Series 2024A Bonds are in any Eligible Moneys Mode, the Corporation may furnish a Liquidity Facility (or, if a Liquidity Facility is then in existence, a Substitute Liquidity Facility in substitution for the Liquidity Facility then in effect if permitted by the Liquidity Facility then in effect) to the Tender Agent to provide for the purchase of the Series 2024A Bonds in any Eligible Moneys Mode upon their optional or mandatory tender in accordance with Sections 504, 505, 506, 507 and 508 of the Bond Indenture. Any Liquidity Facility (or Substitute Liquidity Facility) shall be a facility provided by a Liquidity Facility Provider in an amount equal to the Required Stated Amount for such Series 2024A Bonds with a term of at least 360 days from the effective date thereof.

(b) If a Liquidity Facility has been provided to the Tender Agent in accordance with Section 7.10(a) hereof by the Corporation with respect to Series 2024A Bonds, prior to the conversion of all of the Series 2024A Bonds to any Mode other than an Eligible Moneys Mode, the Corporation (i) shall maintain the Liquidity Facility or a Substitute Liquidity Facility, in an amount equal to the Required Stated Amount for such Series 2024A Bonds prior to its expiration or termination, and (ii) shall not voluntarily terminate the Liquidity Facility or any Substitute Liquidity Facility without providing advance written notice of such termination as required by Section 7.10(c) hereof and compliance with Section 7.10(d) hereof; provided, however, that this clause (b) shall not apply to any Series 2024A Bonds that are in a Mode other than an Eligible Moneys Mode.

(c) The Corporation shall give at least 45 days' advance written notice to the Bond Trustee, the Authority, the Liquidity Facility Provider, if any, the Credit Facility Provider, if any, the Remarketing Agent and the Tender Agent of (i) its intent to provide a Liquidity Facility (which by definition includes a Substitute Liquidity Facility) to the Tender Agent, which notice shall specify the nature of such Liquidity Facility, the identity of the Liquidity Facility Provider, the Series 2024A Bonds to have the benefit of the Liquidity Facility, and the proposed effective date and scheduled termination date of the Liquidity Facility and (ii) its intent to terminate a Liquidity Facility then in effect, if any, which notice shall specify the proposed termination date for such Liquidity Facility.

(d) Series 2024A Bonds in any Eligible Moneys Mode for which a Liquidity Facility has been provided by the Corporation pursuant to Section 7.10(a) are not required to have the benefit of a Liquidity Facility with respect to 100% of the outstanding principal amount of such Series 2024A Bonds if, prior to the expiration or termination of the Liquidity Facility then in effect, if any, there is delivered to the Authority and the Bond Trustee an Opinion of Bond Counsel to the effect that the expiration or termination of the Liquidity Facility then in effect will not adversely affect the validity of the Series 2024A Bonds or any exclusion from gross income for federal income tax purposes to which interest on the Series 2024A Bonds would otherwise be entitled.

Section 7.11. Tax Exempt Bonds; Post-Issuance Compliance. (a) The Corporation and Authority intend that the interest paid on Series 2024A Bonds will be excluded from the gross

income of the owners of Series 2024A Bonds for federal income tax purposes pursuant to Section 103 of the Code. The Corporation agrees that it will not take any action or permit any action to be taken which would, or fail to take any action the omission of which would, cause an Event of Taxability to occur.

(b) The Corporation agrees to designate a person or persons (the “*Compliance Officer*”) who will be responsible for ensuring compliance by the Corporation and the Benefited Affiliates with the applicable provisions of the Code with respect to Series 2024A Bonds as set forth in the Tax Exemption Agreement, including without limitation (i) the use of the proceeds of Series 2024A Bonds, (ii) the use and ownership of the Bond Financed Property, including without limitation any remediation required by the Code and the Regulations as a result of the ownership or use of the Bond Financed Property, (iii) the status of each of the Corporation and each Benefited Affiliate as an organization described in Section 501(c)(3) of the Code, and (iv) the maintenance of all records on expenditures of proceeds of the Series 2024A Bonds, investments of the proceeds of the Series 2024A Bonds, rebate, and management and research contracts pertaining to and leases and other private use of the Bond Financed Property. The Compliance Officer shall also be responsible for monitoring ongoing compliance with the requirements contained in the other Corporation’s Documents. The Corporation hereby designates the following person or persons as its initial Compliance Officer:

Jeanette Townsend
VP Finance - CFO Finance Operations and Chief Investment Officer
Marshfield Clinic Health System, Inc.
1000 North Oak Avenue
Marshfield, WI 54449
Phone: (715) 750-2197
E-mail: townsend.janette@marshfieldclinic.org

The Corporation agrees to promptly inform the Authority of any change in the designation by the Corporation of its Compliance Officer. The Corporation agrees that the Authority and its authorized agents, on reasonable prior notice, will be permitted at all reasonable times to meet with the Compliance Officer and to examine and copy the records maintained by the Compliance Officer as required by this Section.

(c) The obligations of the Corporation under this Section shall survive a defeasance of Series 2024A Bonds pursuant to Article XI of the Bond Indenture and continue until all Series 2024A Bonds have been paid in full.

Section 7.12. Right to Documents. So long as any Series 2024A Bonds remain outstanding, all items required to be delivered or addressed to the Master Trustee under the Master Indenture shall, at the request of the Authority, also be delivered or addressed to the Authority.

Section 7.13. Credit Facility; Substitute Credit Facility. (a) The Corporation may elect to maintain a Credit Facility or a Substitute Credit Facility, in an amount equal to the Required Stated Amount for the Series 2024A Bonds prior to its termination, during any Eligible Moneys Mode. The Series 2024A Bonds shall be initially issued without the support of a Credit Facility.

(b) If a Credit Facility has been delivered to the Bond Trustee in accordance with Section 7.13(a) hereof by the Corporation with respect to the Series 2024A Bonds, prior to the conversion of all of the Series 2024A Bonds to any Mode other than an Eligible Moneys Mode, the Corporation (i) shall maintain such Credit Facility or a Substitute Credit Facility, in an amount equal to the Required Stated Amount for the Series 2024A Bonds prior to its expiration or termination, and (ii) shall not voluntarily terminate such Credit Facility or any Substitute Credit Facility without providing advance written notice of such termination as required as required by Section 7.13(c) hereof and compliance with Section 7.13(d) hereof; provided, however, that this clause (b) shall not apply to any Series 2024A Bonds that are in a Mode other than an Eligible Moneys Mode.

(c) The Corporation shall give at least 45 days' advance written notice to the Bond Trustee, the Authority, the Liquidity Facility Provider, if any, the Credit Facility Provider, if any, the Purchaser, if any, and the Remarketing Agent of (i) its intent to furnish a Credit Facility (which by definition includes a Substitute Credit Facility) to the Bond Trustee, which notice shall specify the nature of such Credit Facility, the identity of the Credit Facility Provider, and the proposed effective date of such Credit Facility and (ii) its intent to terminate a Credit Facility then in effect, if any, which notice shall specify the proposed termination date for such Credit Facility.

(d) Series 2024A Bonds in any Eligible Moneys Mode for which a Credit Facility has been provided by the Corporation pursuant to Section 7.13(a) are not required to have the benefit of a Credit Facility with respect to 100% of the outstanding principal amount of such Series 2024A Bonds if, prior to the expiration or termination of a Credit Facility then in effect, if any, there is delivered to the Authority and the Bond Trustee an Opinion of Bond Counsel to the effect that the expiration or termination of the Credit Facility then in effect will not adversely affect the validity of the Series 2024A Bonds or any exclusion from gross income for federal income tax purposes to which interest on the Series 2024A Bonds would otherwise be entitled.

Section 7.14. Bank Index Mode and Bank Fixed Mode.

(a) When the Series 2024A Bonds are in a Bank Index Mode or a Bank Fixed Mode, the Corporation agrees to comply with the provisions of Section 210 of the Bond Indenture pertaining to the Corporation.

(b) The Corporation agrees to comply with the provisions of Section 1004 of the Bond Indenture with respect to any Continuing Covenant Agreement.

(c) When the Series 2024A Bonds are in a Bank Index Rate Period or any Subsequent Bank Index Rate Period, the Corporation shall maintain a rating on Parity Debt (but not on the Series 2024A Bonds) from at least two of the Rating Agencies, but only if required by the Purchaser with the agreement of the Corporation prior to the commencement of the applicable Bank Index Rate Period.

Section 7.15. Maintenance of Status as a Member of the Obligated Group. The Corporation agrees that as long as any Bonds remain outstanding it will remain a member of the Obligated Group; provided, however, the foregoing shall not preclude a merger among members of the Obligated Group.

Section 7.16. Redemption or Defeasance of Bonds. If any recalculation of the weighted average reasonably expected economic life of the Bond Financed Property is required pursuant to Section 6.2 or in connection with the delivery of any requisition submitted pursuant to Section 6.3 or the delivery of the Completion Certificate pursuant to Section 6.4, and such recalculation causes the weighted average maturity of the Bonds to exceed 120% of the weighted average reasonably expected economic life of the Bond Financed Property, calculated in accordance with Section 147 of the Code, the Corporation agrees to redeem or defease a portion, if necessary, of the Bonds at the time the recalculation is made, in an amount that will be sufficient, in the Opinion of Bond Counsel obtained at the time the recalculation is made, to cause the weighted average maturity of the Bonds to be no more than 120% of the weighted average reasonably expected economic life of the Bond Financed Property, all calculated in accordance with Section 147 of the Code.

Section 7.17. Notice of Internal Revenue Service Audits. The Corporation and the Authority each agree to provide prompt written notice to the other and to the Bond Trustee and the Purchaser, if any, upon receipt of a notice from the Internal Revenue Service that any of the Series 2024A Bonds are being audited or otherwise investigated or that the Internal Revenue Service or another agency on its behalf has requested documents or other information relating to the Series 2024A Bonds.

Section 7.18. Investments and Arbitrage. Section 406 of the Bond Indenture provides that money on deposit in the funds under the Bond Indenture will be invested in Qualified Investments as directed by the Corporation. The Corporation agrees (a) to provide written investment instructions to the Bond Trustee as needed, (b) that all of its investment instructions are subject to the provisions of Section 406 of the Bond Indenture and the Tax Exemption Agreement and (c) that it will not make or direct any use of any funds that will cause the Bonds to be Arbitrage Bonds. The Corporation agrees for the benefit of the owners of the Bonds that no use will be made of the proceeds derived from the issuance and sale of the Bonds that will cause the Bonds to be Arbitrage Bonds.

**ARTICLE VIII
EVENTS OF DEFAULT AND REMEDIES THEREFOR**

Section 8.1. Events of Default. The occurrence and continuance of any of the following events shall constitute an "event of default" hereunder:

(a) failure of the Corporation to pay any installment of interest, principal or premium hereunder or on the Master Note or any other payment required by Section 5.1 or 5.2 hereof when the same shall become due and payable, whether upon a scheduled interest payment date, at maturity, upon any date fixed for prepayment, upon acceleration or otherwise; or

(b) failure by the Corporation to cause to be made any payment of principal of or interest on any Series 2024A Bond in an Eligible Moneys Mode that is then-covered by a Credit Facility when the same shall become due and payable with Eligible Moneys; or

(c) failure of the Corporation to comply with or perform any of the covenants, conditions or provisions hereof, or failure of the Corporation or any Benefited Affiliate to comply with or perform any of the covenants, conditions or provisions of the Tax Exemption Agreement and to remedy such default within 30 days after written notice thereof from the Authority or the Bond Trustee to the Corporation; provided that if such default cannot with due diligence and dispatch be wholly cured within 30 days but can be wholly cured, the failure of the Corporation to remedy such default within such 30 day period shall not constitute a default hereunder if any of the foregoing shall immediately upon receipt of such notice commence with due diligence and dispatch the curing of such default and, having so commenced the curing of such default, shall thereafter prosecute and complete the same with due diligence and dispatch and provides the Bond Trustee with a certification to such effect; or

(d) any representation or warranty made by the Corporation herein or in any statement or certificate, furnished to the Authority or the Bond Trustee or the purchaser of any Series 2024A Bonds in connection with the sale of Series 2024A Bonds or furnished by the Corporation or a Benefited Affiliate pursuant hereto proves untrue in any material respect as of the date of the issuance or making thereof and shall not be corrected or brought into compliance within 90 days after notice thereof to the Corporation by the Authority or the Bond Trustee; or

(e) any “event of default” (as described in the Master Indenture) shall occur under the Master Indenture which would permit the acceleration of any Master Note (as defined therein); or

(f) when the Series 2024A Bonds are in any Mode other than an Eligible Moneys Mode covered by a Credit Facility, the Corporation admits insolvency or bankruptcy or its inability to pay its debts as they mature, or is generally not paying its debts as such debts become due, or makes an assignment for the benefit of creditors or applies for or consents to the appointment of a trustee, custodian or receiver for the Corporation, or for the major part of its Property; or

(g) when the Series 2024A Bonds are in any Mode other than an Eligible Moneys Mode covered by a Credit Facility, a trustee, custodian or receiver is appointed for the Corporation or for the major part of its Property and is not discharged within 90 days after such appointment; or

(h) when the Series 2024A Bonds are in any Mode other than an Eligible Moneys Mode covered by a Credit Facility, bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings, proceedings under Title 11 of the United States Code, as amended, or other proceedings for relief under any bankruptcy law or similar law for the relief of debtors are instituted by or against the Corporation (other than bankruptcy proceedings instituted by the Corporation against third parties), and if instituted against the Corporation are allowed against the Corporation or are consented to or are not dismissed, stayed or otherwise nullified within 60 days after such institution; or

(i) the occurrence of an “event of default” under the Bond Indenture.

Upon the occurrence and during the continuance of any event of default hereunder, the Authority shall have the following rights and remedies, in addition to any other remedies herein or by law provided:

I. *Acceleration of Payments on the Master Note and Hereunder.* The Bond Trustee, as assignee of the Authority (subject to the rights of the Bond Insurer as provided in the Bond Indenture),

(A) may, with the written consent of the Credit Facility Provider, if any, or the Bondholders of at least 25% of the principal amount of the Series 2024A Bonds Outstanding (including, without limitation Liquidity Facility Bonds), if no Credit Facility Provider, and

(B) shall, upon receipt from the Bondholders of at least 25% of the principal amount of the Series 2024A Bonds Outstanding (including, without limitation, Liquidity Facility Bonds) of a written request to do so, together with the written consent of the Credit Facility Provider, if any,

by written notice to the Master Trustee, request that it declare the Master Note (if not then due and payable) to be due and payable immediately, subject to the provisions of Section 5.11 of the Master Indenture regarding waiver of Events of Default (as defined in the Master Indenture), anything in the Master Note or this Loan Agreement contained to the contrary notwithstanding. In addition, upon the occurrence and continuance of an event of default under this Loan Agreement, the Bond Trustee, as assignee of the Authority, may with the written consent of the Credit Facility Provider, if any, by written notice to the Corporation, declare all amounts payable pursuant to this Loan Agreement immediately due and payable.

II. *Right to Bring Suit, Etc.* The Bond Trustee, as assignee of the Authority,

(A) may, in its discretion, with the written consent of the Credit Facility Provider, if any, or the Bondholders of at least 25% of the principal amount of the Series 2024A Bonds Outstanding (including, without limitation, Liquidity Facility Bonds), if no Credit Facility Provider, or

(B) shall, upon the written direction of, the Credit Facility Provider, if any, or upon receipt from the Bondholders of at least 25% of the principal amount of the Series 2024A Bonds Outstanding (including, without limitation, Liquidity Facility Bonds) of a request to do so, with the written consent of the Credit Facility Provider, if any,

with or without entry, personally or by attorney, proceed to protect and enforce its rights by pursuing any available remedy including a suit or suits in equity or at law, whether for damages or for the specific performance of any obligation, covenant or agreement contained in the Master Note, in this Loan Agreement or in the Master Indenture, or in aid of the execution of any power herein granted, or for the enforcement of any other appropriate legal or equitable remedy, as the Bond Trustee shall deem most effectual to collect the payments then due and thereafter to become due on the Master Note or to enforce performance and observance of any obligation, agreement or covenant of the

Corporation hereunder, under the Master Note or under the Master Indenture or to protect and enforce any of the Authority's rights or duties hereunder or thereunder.

Section 8.2. Application of Proceeds of Remedies. The proceeds or avails resulting from the exercise of any such remedies, together with any other sums which then may be held by the Authority or the Bond Trustee as its assignee under this Loan Agreement, whether under the provisions of this Article or otherwise, and which are available for such application shall be applied as follows:

FIRST: To the payment of the reasonable costs and expenses of the exercise of such remedies, including reasonable compensation to the Authority, the Master Trustee and the Bond Trustee, their agents, attorneys and counsel, and the reasonable expenses of any judicial proceedings wherein the same may be made, and of all reasonable expenses, liabilities and advances made or incurred by any thereof as permitted by this Loan Agreement and the creation of a reserve for anticipated costs and expenses, together with interest, in the case of the Authority and the Bond Trustee, at the Bond Trustee's or, in the case of the Master Trustee, at the Master Trustee's, announced prime rate per annum from time to time in effect, on all such advances, and to the payment of all taxes, assessments or claims prior to the claim of this Loan Agreement, except any taxes, assessments, liens, or other charges, subject to which Property may have been sold.

SECOND: To the payment of the whole amount then due, owing and unpaid hereunder for principal, interest and premium, if any and, in case such proceeds shall be insufficient to pay in full the whole amount so due, owing or unpaid hereunder, then ratably according to the aggregate of such principal and the accrued and unpaid interest and premium, if any, without preference or priority as between principal, interest or premium.

THIRD: To the payment of any other sums required to be paid by the Corporation pursuant to any provisions of this Loan Agreement, the Bond Indenture (including amounts owed to the Bond Insurer) or of the Master Note.

FOURTH: To the payment of any other sums required to be paid by the Corporation pursuant to any provisions of the Master Indenture.

FIFTH: To the payment of any amounts then due and payable under the Tax Exemption Agreement.

SIXTH: To the payment of any sums required to be paid by the Corporation pursuant to any provisions of a Continuing Covenant Agreement, if any, a Credit Facility, if any, a Liquidity Facility, if any, or a Reimbursement Agreement, if any.

SEVENTH: To the payment of the surplus, if any, to the Corporation, upon the written request of the Corporation or to whomsoever may be lawfully entitled to receive the same upon its written request, or as any court of competent jurisdiction may direct.

Section 8.3. Remedies Cumulative. No remedy herein conferred upon or reserved to the Authority or the Bond Trustee as its assignee is intended to be exclusive of any other remedy

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

Section 8.4. Delay or Omission Not a Waiver. No delay or omission of the Authority, any Bondholder, the Bond Trustee or the Credit Facility Provider, if any, as its assignee to exercise any right or power accruing upon any event of default shall impair any such right or power, or shall be construed to be a waiver of any such event of default or an acquiescence therein; and every power and remedy given by this Loan Agreement to the Authority, the Bond Trustee or the Credit Facility Provider, if any, as its assignee may be exercised from time to time and as often as may be deemed expedient by the Authority, the Bond Trustee, the Bondholders, or the Credit Facility Provider, if any, as the case may be.

Section 8.5. Waiver of Extension, Appraisement, Stay Laws. To the extent permitted by law, the Corporation will not during the continuance of any event of default hereunder insist upon or plead, or in any manner whatever claim or take any benefit or advantage of, any stay or extension law wherever enacted, now or at any time hereafter in force, which may affect the covenants and terms of performance of this Loan Agreement; nor claim, take or insist upon any benefit or advantage of any law now or hereafter in force providing for the valuation or appraisement of any of the Property of the Corporation or any other Member, or any part thereof, prior to any sale or sales thereof which may be made pursuant to any provision herein contained, or pursuant to the decree, judgment or order of any court of competent jurisdiction; nor after any such sale or sales, claim or exercise any right under any statute heretofore or hereafter enacted by the United States of America or by any state or territory, or otherwise, to redeem the Property so sold or any part thereof; to the extent permitted by law, the Corporation hereby expressly waives all benefits or advantage of any such law or laws and covenants not to hinder, delay or impede the execution of any power herein granted or delegated to the Authority or the Bond Trustee, but to suffer and permit the execution of every power as though no such law or laws had been made or enacted.

Section 8.6. Remedies Subject to Provisions of Law. All rights, remedies and powers provided by this Article may be exercised only to the extent that the exercise thereof does not violate any applicable provision of law in the premises, and all the provisions of this Article are intended to be subject to all applicable mandatory provisions of law which may be controlling in the premises and to be limited to the extent necessary so that they will not render this Loan Agreement invalid or unenforceable under the provisions of any applicable law.

Section 8.7. Default by the Authority - Limited Liability. Notwithstanding any provision or obligation to the contrary set forth herein, no provision of this Loan Agreement shall be construed so as to give rise to a pecuniary liability of the Authority or to give rise to a charge upon the general credit of the Authority, the liability of the Authority hereunder shall be limited to its interest in this Loan Agreement, the Master Note, and all other related documents and collateral and the lien of any judgment shall be restricted thereto. In the performance of the agreements of the Authority herein contained, any obligation it may incur for the payment of money shall not be a debt of the Authority, nor shall the Authority be liable on any obligation so incurred, in each case, the liability of the Authority shall be limited to its interest in this Loan Agreement and the Master Note. The Authority does not assume general liability for the repayment of the bonds or for the costs, fees, penalties, taxes, interest, commissions, charges, insurance or any other payments recited herein, and shall be obligated to pay the same only out

of the amounts payable by the Corporation hereunder. The Authority shall not be required to do any act whatsoever or exercise any diligence whatsoever to mitigate the damages to the Corporation if a default shall occur hereunder.

ARTICLE IX SUPPLEMENTS AND AMENDMENTS TO THIS LOAN AGREEMENT

Section 9.1. Supplements and Amendments to this Loan Agreement. The Corporation may from time to time enter into such supplements and amendments to this Loan Agreement as may seem necessary or desirable to effectuate the purposes or intent hereof in accordance with the terms of the Bond Indenture (including the provisions in Article XIV of the Bond Indenture for the benefit of the Bond Insurer). An executed copy of any of the foregoing amendments, changes or modification shall be filed with the Bond Trustee.

ARTICLE X DEFEASANCE

Section 10.1. Defeasance. If the Corporation shall pay and discharge or provide, in a manner satisfactory to the Authority, for the payment and discharge of the whole amount of the principal of, premium, if any, and interest owing hereunder and under the Master Note, and shall pay or cause to be paid all other sums payable hereunder and under the Bond Indenture (including any amounts owed to the Bond Insurer), or shall make arrangements satisfactory to the Authority for such payment and discharge, then and in that case all property, rights and interest hereby conveyed or assigned or pledged shall revert to the Corporation, and the estate, right, title and interest of the Authority therein shall thereupon cease, terminate and become void; and, except as otherwise provided herein, this Loan Agreement and the covenants of the Corporation contained herein shall be discharged and the Authority in such case, on demand of the Corporation and at its cost and expense, shall execute and deliver to the Corporation a proper instrument or proper instruments acknowledging the satisfaction and termination of this Loan Agreement and any financing statements filed in connection therewith and shall convey, assign and transfer or cause to be conveyed, assigned or transferred, and shall deliver or cause to be delivered, to the Corporation, all Property, including money, then held by the Authority other than moneys deposited with the Bond Trustee for the payment of the principal of, premium, if any, or interest owing hereunder, together with the Master Note marked paid.

ARTICLE XI MISCELLANEOUS PROVISIONS

Section 11.1. Loan Agreement for Benefit of Parties Hereto. Nothing in this Loan Agreement, express or implied, is intended or shall be construed to confer upon, or to give to, any person other than the parties hereto, the Bond Trustee, any additional Paying Agent, the holder of the Master Note, the Bondholders, the Purchaser, if any, or to the Credit Facility Provider, if any, any right, remedy or claim under or by reason of this Loan Agreement or any covenant, condition or stipulation hereof; and the covenants, stipulations and agreements in this Loan Agreement contained are and shall be for the sole and exclusive benefit of the parties hereto, the Bond Trustee, any additional Paying Agent, their successors and assigns, the holder of the Master Note, the Bondholders, the Purchaser, if any, and the Credit Facility Provider, if

any. The Bond Insurer is an express third-party beneficiary hereunder and may enforce any such right, remedy or claim conferred, given or granted hereunder.

Section 11.2. Severability. In case any one or more of the provisions contained in this Loan Agreement or in the Master Note shall be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein and therein shall not in any way be affected or impaired thereby.

Section 11.3. Notices. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when and as provided in Section 1304 of the Bond Indenture (subject to Section 801(p) of the Bond Indenture).

Section 11.4. Successors and Assigns. Whenever in this Loan Agreement any of the parties hereto is named or referred to, the successors and assigns of such party shall be deemed to be included and all the covenants, promises and agreements in this Loan Agreement contained by or on behalf of the Corporation, or by or on behalf of the Authority, shall bind and inure to the benefit of their respective successors and assigns, whether so expressed or not.

Section 11.5. Counterparts. This Loan Agreement is being executed in several counterparts, each of which is an original and all of which are identical. Each counterpart of this Loan Agreement is to be deemed an original hereof and all counterparts collectively are to be deemed but one instrument.

Section 11.6. Governing Law. This Loan Agreement shall be governed exclusively by and construed in accordance with the internal laws of the State of Wisconsin applicable to contracts to be wholly performed therein.

Section 11.7. Immunity of Officers, Employees and Members of Authority, the Corporation and Members of the Obligated Group. No recourse shall be had for the payment of the principal of or premium or interest owing hereunder or on the Master Note or on any of the Series 2024A Bonds for any claim based thereon or upon any representation, obligation, covenant or agreement contained in this Loan Agreement or the Bond Indenture against any past, present or future incorporator, officer, member, trustee, employee, director or agent of the Authority, the Corporation, or any other Member of the Obligated Group, respectively, or any successor public or private corporation thereto, as such, either directly or through the Authority, the Corporation, or any other Member of the Obligated Group, under any rule of law or equity, statute or constitution or by the enforcement of any assessment or penalty or otherwise, and all such liability of any such incorporators, officers, members, trustees, employees, directors or agents, as such, is hereby expressly waived and released as a condition of and consideration for the execution of this Loan Agreement and the Bond Indenture and the issuance of the Master Note and the Series 2024A Bonds.

Section 11.8. Business Days. Except as otherwise provided herein, if the date for making any payment or the date for the performance of any act or the exercising of any right, as provided in this Loan Agreement, is not a Business Day, such payment may be made or act performed or right exercised on the next succeeding Business Day with the same effect as if done on the normal date provided herein.

Section 11.9. Limited Recourse to the Authority. The obligations of the Authority with the respect to the Series 2024A Bonds and under this Loan Agreement are special, limited obligations of the Authority, payable solely out of the revenues and income derived under this Loan Agreement and the Master Note and as otherwise provided under this Loan Agreement and the Bond Indenture. The obligations of the Authority hereunder shall not be deemed to constitute an indebtedness or an obligation of the Authority, the State of Wisconsin or any political subdivision thereof within the purview of any constitutional limitation or statutory provision, or a charge against the credit or general taxing powers, if any, of any of them. The Authority does not have the power to levy taxes for any purposes whatsoever. Neither the Authority nor any member, officer, employee or agent of the Authority nor any person executing the Series 2024A Bonds shall be liable personally for the Series 2024A Bonds or be subject to any personal liability or accountability by reason of the issuance of the Series 2024A Bonds.

Section 11.10. Term of this Loan Agreement. This Loan Agreement shall be in full force and effect from the date hereof, and shall continue in effect until the payment in full of all principal of, premium, if any, and interest on the Series 2024A Bonds, or provision for the payment thereof shall have been made pursuant to Article XI of the Bond Indenture; all fees, charges, indemnities and expenses of the Authority, Bond Trustee and Bond Registrar have been fully paid or provision made for such payment (the payment of which fees, charges, indemnities and expenses shall be evidenced by a written certification of the Corporation that it has fully paid or provided for all such fees, charges, indemnities and expenses); and all other amounts due hereunder and under the obligations pledged under the Bond Indenture have been duly paid or provision made for such payment, including all amounts owed to the Bond Insurer. All representations, certifications and covenants by the Corporation as to the indemnification of various parties and the payment of fees and expenses of the Authority as described in Section 7.5 hereof, and all matters affecting the tax-exempt status of the Series 2024A Bonds shall survive the termination of this Loan Agreement.

Section 11.11. Indenture Provisions. The Bond Indenture provisions concerning the Series 2024A Bonds and other matters therein are an integral part of the terms and conditions of the loan made by the Authority to the Corporation pursuant to this Loan Agreement and the execution of this Loan Agreement shall constitute conclusive evidence of approval of the Bond Indenture by the Corporation to the extent it relates to the Corporation. Additionally, the Corporation agrees that, whenever the Bond Indenture by its terms imposes a duty or obligation upon the Corporation, such duty or obligation shall be binding upon the Corporation to the same extent as if the Corporation were an express party to the Bond Indenture, and the Corporation hereby agrees to carry out and perform all of its obligations under the Bond Indenture as fully as if the Corporation were a party to the Bond Indenture.

Section 11.12. Rights of the Credit Facility Provider. Anything contained in the Bond Indenture or in the Series 2024A Bonds to the contrary notwithstanding, in the event there is a Credit Facility for the benefit of the Series 2024A Bonds, the existence of all rights given to the Credit Facility Provider hereunder with respect to the giving of consents or approvals or the direction of proceedings are expressly conditioned upon its timely and full performance of the Credit Facility. Any such rights shall not apply if at any time there are no Series 2024A Bonds outstanding or the Credit Facility Provider has wrongly failed to honor a properly presented drawing made under, and in compliance with, the Credit Facility or has been declared insolvent or bankrupt by a court of competent jurisdiction, an order or decree shall have been entered by a

court of competent jurisdiction appointing a receiver, receivers, custodian or custodians for any of its assets or revenues and such order or decree shall not have been dismissed or stayed for a period of 30 or more days, or any proceeding shall be instituted with the consent or acquiescence of the Credit Facility Provider or any plan shall be entered into by the Credit Facility Provider for the purpose of effecting a composition between the Credit Facility Provider and its creditors or for the purpose of adjusting the claims of such creditors, the Credit Facility Provider makes any assignment for the benefit of its creditors or the Credit Facility Provider is generally not paying its debts as such debts become due or the Credit Facility Provider files a petition in bankruptcy or under Title 11 of the United States Code, as amended, or the Credit Facility has been determined to be void or unenforceable by final judgment of a court of competent jurisdiction; provided, that this Section shall not in any way limit or affect the rights of the Credit Facility Provider as a Bondholder, as subrogee of a Bondholder or as assignee of a Bondholder or to otherwise be reimbursed and indemnified for its costs and expenses and other payment on or in connection with the Series 2024A Bonds or the Credit Facility, either by operation of law or at equity or by contract; and, provided further that such rights shall be restored if any of the foregoing events have been cured or court decisions have been reversed.

Section 11.13. Rights of Bond Insurer. Anything contained in this Loan Agreement, the Bond Indenture or the Insured Bonds to the contrary notwithstanding, the existence of all rights given to the Bond Insurer hereunder with respect to the giving of consents or approvals or the direction of proceedings are expressly conditioned upon its timely and full performance of the Bond Insurance Policy. Any such rights shall not apply in connection with a Bond Insurer Default as set forth in Article XIV of the Bond Indenture.

(signature page follows)

IN WITNESS WHEREOF, the Corporation and the Authority have caused this Loan Agreement to be executed in their respective corporate names by their respective duly authorized officers, all as of the date first above written.

**MARSHFIELD CLINIC HEALTH
SYSTEM, INC.**

By: _____
Jeanette M. Wojtalewicz
Interim Chief Financial Officer

**WISCONSIN HEALTH AND EDUCATIONAL
FACILITIES AUTHORITY**

By: _____
Larry D. Wiemer II
Executive Director

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This Loan Agreement was prepared by:

Nathan S. Fronk
Quarles & Brady LLP
411 East Wisconsin Avenue
Milwaukee, WI 53202

(Signature Page to Series 2024A Loan Agreement)

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APPENDIX E

FORM OF OPINION OF QUARLES & BRADY LLP

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_____, 2024

We have acted as bond counsel in connection with the issuance by the Wisconsin Health and Educational Facilities Authority (the “*Authority*”) of \$374,895,000 of its Revenue Bonds, Series 2024A (Marshfield Clinic Health System, Inc.) (the “*Bonds*”). The Bonds are being issued pursuant to Chapter 231 of the Wisconsin Statutes (the “*Act*”) and a resolution adopted by the Authority on June 11, 2024 (the “*Resolution*”) and under a Bond Trust Indenture dated as of July 1, 2024 (the “*Bond Indenture*”) between the Authority and U.S. Bank Trust Company, National Association, as bond trustee (the “*Bond Trustee*”).

Under a Loan Agreement dated as of July 1, 2024 (the “*Loan Agreement*”) between the Authority and Marshfield Clinic Health System, Inc. (the “*Borrower*”), the Authority is loaning to the Borrower the proceeds from the sale of the Bonds, that along with certain other funds, will be used to (a) refund the Prior Bonds (as defined in the Bond Indenture), (b) finance or reimburse the Borrower and/or certain of its affiliates (the “*Benefited Affiliates*”) for costs associated with the acquisition, construction, renovation and equipping of the projects described in the Loan Agreement and Tax Exemption Agreement (hereinafter defined) (collectively, the “*Project*”), and (c) pay certain costs associated with the issuance of the Bonds and the refunding of the Prior Bonds.

The Borrower’s obligation to repay the loan is evidenced by the Marshfield Clinic Health System Obligated Group Series 2024B Master Note dated July 2, 2024 (the “*Note*”). The Note is being issued pursuant to a Second Amended and Restated Master Trust Indenture dated as of October 1, 2016, as heretofore supplemented and amended and as currently being supplemented and amended by a Supplemental Master Trust Indenture for the Series 2024B Master Note dated as of July 1, 2024 between the Borrower, as Obligated Group Agent thereunder, and The Bank of New York Mellon Trust Company N.A., as the current trustee thereunder.

The Bonds are issuable as fully registered bonds in the denominations, bear interest at the rates and mature on the dates and in the amounts as provided in the Bond Indenture. The Bonds are subject to tender and redemption prior to maturity at the times, in the manner and upon the terms set forth in the Bonds and the Bond Indenture.

We have examined (a) copy of Bonds numbered R-1 through R-13, (b) the Loan Agreement, (c) the Note, (d) the Bond Indenture, (e) a Tax Exemption Certificate and Agreement dated July 2, 2024 (the “*Tax Exemption Agreement*”) among the Authority, the Borrower, on behalf of itself and the Benefited Affiliates and the Bond Trustee, (f) a Bond Purchase Agreement dated June 26, 2024 (the “*Bond Purchase Agreement*”) from the underwriters identified therein and accepted and agreed to by the Authority and the Borrower, on behalf of itself and on behalf of the other Members of the Obligated Group, pertaining to the purchase and sale of the Bonds, (g) an Escrow Deposit Agreement dated July 2, 2024 among the Authority, the Borrower and U.S. Bank Trust Company, National Association, as bond trustee for the Series 2020B-1 Bonds (as defined in the Bond Indenture) (the “*Series 2020B-1 Escrow Agreement*”), (h) an Escrow Deposit Agreement dated July 2, 2024 among the Authority, the Borrower and U.S. Bank Trust Company, National Association, as bond trustee for the Series 2022A Bonds (as defined in the Bond Indenture) (the “*Series 2022A Escrow Agreement*”, collectively with the Series 2020B-1 Escrow Agreement, the “*Escrow Agreements*”), and (i) the Resolution.

As to questions of fact material to our opinion, we have also examined and relied upon representations and certifications of officials of the Authority, the Borrower, the Benefited Affiliates and others delivered in connection with the issuance of the Bonds (including without limitation, certifications as to the use of proceeds of the Bonds and the ownership, operation and use of the property financed and refinanced therewith) without undertaking to verify the same by independent investigation. We refer you to, and have relied upon, the legal opinion dated the date hereof of Orrick, Herrington & Sutcliffe LLP, with respect to, among other matters, the status of the Borrower and each of the Benefited Affiliates as organizations described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the “*Code*”), that are exempt from federal income taxation pursuant to Section 501(a) of the Code. We note that the opinion is subject to a number of qualifications and limitations. We have also examined the other documents we deemed relevant and necessary in rendering this opinion.

Based upon the examination described above, it is our opinion under existing law that:

1. The Authority is a public body corporate and politic created and existing under the laws of the State of Wisconsin and has authority under the Act to issue the Bonds and to enter into and perform its obligations under the Loan Agreement, the Tax Exemption Agreement, the Bond Purchase Agreement, the Escrow Agreements and the Bond Indenture.

2. The Bonds are in the form required by law and have been authorized, executed, issued and delivered by the Authority in accordance with law, the Resolution and the Bond Indenture. The Bonds are valid and binding limited obligations of the Authority and are entitled to the protection given by the Bond Indenture except that enforceability may be limited by bankruptcy, insolvency, reorganization, arrangement, moratorium, fraudulent transfer or other laws affecting creditors’ rights generally. Enforceability of the Authority’s obligations is also subject to general principles of equity (regardless of whether enforceability is considered in a proceeding in equity or at law). The principal of, premium, if any, and interest on the Bonds are payable solely out of the revenues derived from the Loan Agreement and the Note or, in the

event of default under the Loan Agreement, as otherwise permitted by the Bond Indenture or the Resolution and by law. The Bonds do not constitute or give rise to a pecuniary liability of the Authority or a charge against its general credit. The Authority has no taxing power.

3. The Loan Agreement, the Note and the amounts payable under the Loan Agreement and the Note (excluding the Unassigned Rights, as defined in the Loan Agreement) have been pledged and assigned under the Bond Indenture as security for payment of the principal of, premium, if any, and interest on the Bonds.

4. The interest on the Bonds is excludable for federal income tax purposes from the gross income of the owners of the Bonds. The interest on the Bonds is not a specific preference item for purposes of the federal alternative minimum tax imposed by Section 55 of the Internal Revenue Code of 1986, as amended (the “Code”), on individuals; however, interest on the Bonds is taken into account in determining “adjusted financial statement income” for purposes of computing the federal alternative minimum tax imposed on Applicable Corporations (as defined in Section 59(k) of the Code). The Code contains requirements that must be satisfied subsequent to the issuance of the Bonds in order for interest on the Bonds to be or continue to be excludable from the gross income of the owners of the Bonds for federal income tax purposes. Failure to comply with certain of those requirements could cause the interest on the Bonds to be included in gross income retroactively to the date of issuance of the Bonds. The Authority, the Bond Trustee, the Borrower and the Benefited Affiliates have agreed to comply with all of those requirements and the opinion set forth in the first sentence of this paragraph is subject to the condition that the Authority, the Bond Trustee, the Borrower and the Benefited Affiliates comply with those requirements. We express no opinion regarding other federal tax consequences arising with respect to the Bonds.

This opinion letter deals only with the specific legal issues that it explicitly addresses and no opinions may be inferred or implied beyond the matters expressly contained herein. The opinions expressed herein are specifically limited to the laws of the United States and the present internal laws of the State of Wisconsin. The opinions expressed herein are based upon those facts and circumstances in existence and laws in effect on the date hereof, and we assume no obligation or responsibility to update or supplement this opinion letter to reflect any facts or circumstances that may hereafter come to our attention or any changes in laws that may hereafter occur, or to inform any person of any change in circumstances occurring after the date hereof that would alter the opinions rendered herein.

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APPENDIX F

FORM OF CONTINUING DISCLOSURE UNDERTAKING

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CONTINUING DISCLOSURE UNDERTAKING

This Continuing Disclosure Undertaking (the “*Disclosure Undertaking*”) is dated July [], 2024, and is executed and delivered by Marshfield Clinic Health System, Inc. (the “*Corporation*”), on its own behalf and as Obligated Group Agent on behalf of the Members of the Obligated Group defined below, in connection with the issuance by the Wisconsin Health and Educational Facilities Authority (the “*Authority*”) of \$[PAR] Wisconsin Health and Educational Facilities Authority Revenue Bonds, Series 2024A (Marshfield Clinic Health System, Inc.) (the “*2024A Bonds*”).

The 2024A Bonds are being issued pursuant to and secured by a Bond Trust Indenture, dated as of July 1, 2024 (the “*Bond Indenture*”), between the Authority and U.S. Bank Trust Company, National Association, as bond trustee (the “*Bond Trustee*”). The proceeds of the 2024A Bonds are being loaned by the Authority to the Corporation pursuant to a Loan Agreement, dated as of July 1, 2024 (the “*Loan Agreement*”), between the Authority and the Corporation.

The obligation of the Corporation to make payments under the Loan Agreement relating to the 2024A Bonds will be secured by a Master Note issued pursuant to the Second Amended and Restated Master Trust Indenture (as supplemented and amended from time to time, the “*Master Indenture*”), dated as of October 1, 2016 between the Corporation, as Obligated Group Agent and The Bank of New York Mellon Trust Company, N.A., as master trustee (the “*Master Trustee*”), as currently being supplemented by the Supplemental Master Trust Indenture for the Series 2024 Master Note, between the Corporation, as Obligated Group Agent, and the Master Trustee.

In connection with the issuance of the 2024A Bonds, the Corporation covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Undertaking. This Disclosure Undertaking is being executed and delivered by the Corporation for the benefit of the Bondholders (defined below) and the beneficial owners of the 2024A Bonds, and in order to assist the Participating Underwriter (defined below) in complying with the Rule (defined below). The Corporation acknowledges that the Authority has undertaken no responsibility with respect to any reports, notices or disclosures provided or required under this Disclosure Undertaking, and has no liability to any person, including any Holder of the 2024A Bonds, with respect to any such reports, notices or disclosures.

SECTION 2. Definitions. In addition to the definitions set forth in the Master Indenture and the Bond Indenture, which apply to any capitalized term used in this Disclosure Undertaking unless otherwise defined in this Section or in the first paragraph of this Disclosure Undertaking, the following capitalized terms shall have the following meanings:

“Annual Report” shall mean any Annual Report provided by the Corporation, as Obligated Group Agent (on behalf of itself and the other Members of the Obligated Group) pursuant to, and as described in, Sections 3 and 4 of this Disclosure Undertaking.

“Bondholder” or “Holder”, when used with reference to the 2024A Bonds, shall mean any person who shall be the registered owner of any 2024A Bonds and any beneficial owner thereof.

“Disclosure Representative” shall mean the Chief Financial Officer of the Corporation or his or her designee, or such other person as the Corporation shall designate in writing to the Dissemination Agent, if any, from time to time.

“Dissemination Agent” shall mean, on the date hereof, the Corporation. The Corporation may designate in writing a Dissemination Agent and cause such Dissemination Agent to file with the Trustee a written acceptance of such designation.

“Financial Obligation” shall mean, for purposes of the Listed Events set out in Section 5(a) of this Disclosure Undertaking, a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term “Financial Obligation” shall not include municipal securities (as defined in the Securities Exchange Act of 1934, as amended) as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

“Listed Events” shall mean any of the events listed in Section 5(a) of this Disclosure Undertaking.

“Members of the Obligated Group” or “Members” shall have the meaning given in the Master Indenture.

“MSRB” shall mean the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934, or any successor thereto or to the functions of the MSRB contemplated by this Disclosure Undertaking.

“Obligated Group” shall have the meaning given in the Master Indenture.

“Obligated Group Agent” shall have the meaning given thereto in the Master Indenture, the current Obligated Group Agent being the Corporation.

“Obligated Person” shall have the meaning assigned to such term in the Rule.

“Official Statement” shall mean the Official Statement, dated June [], 2024 related to the Series 2024A Bonds.

“Participating Underwriter” shall mean the original underwriters of the 2024A Bonds required to comply with the Rule in connection with the offering of the 2024A Bonds.

“Quarterly Report” shall mean any Quarterly Report provided by the Corporation (on behalf of itself and the other Members of the Obligated Group) pursuant to and as described in, Sections 3 and 4 of this Disclosure Undertaking.

“Rule” shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“System” shall have the meaning ascribed to it in the Official Statement.

SECTION 3. Provision of Annual Reports and Quarterly Reports.

(a) The Corporation shall, or shall cause the Dissemination Agent, if any, to provide to the MSRB an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Undertaking, not later than 150 days after the close of its fiscal year (or in the event of a change in the Corporation’s fiscal year from the present January 1 to December 31 fiscal year, within 150 days after the end of such fiscal year), commencing with the report for fiscal year ending December 31, 2024. Not later than five Business Days prior to said date, the Corporation (if it is not the Dissemination Agent) shall provide the Annual Report to the Dissemination Agent, together with either (i) a letter authorizing the

Dissemination Agent to file the Annual Report with the MSRB, or (ii) a certificate stating that the Corporation has provided the Annual Report to the MSRB and the date on which such Annual Report was provided. In each case, the Annual Report may be submitted as a single document or as separate documents comprising a package and may cross-reference other information as provided in Section 4 of this Disclosure Undertaking. The audited financial statements described in Section 4(a) hereof may be submitted separately from the balance of the Annual Report. If the audited financial statements are not available at the time of the required filing, the Corporation shall submit the unaudited financial statements and shall file the audited financial statements described in Section 4(a) hereof as soon as practicable after the audited financial statements become available. The Corporation shall promptly notify the Dissemination Agent of any change in the Corporation's fiscal year.

(b) If by five Business Days prior to the date specified in subsection (a) for providing the Annual Report to the MSRB, the Dissemination Agent has not received a copy of the Annual Report, the Dissemination Agent shall contact the Corporation to request a report regarding compliance with the provisions governing the Annual Report.

(c) If the Dissemination Agent is unable to verify that an Annual Report has been provided to the MSRB by the date required in subsection (a), the Dissemination Agent shall send a reminder notice to the Corporation and the Authority and shall send a notice to the MSRB in substantially the form attached as Exhibit A hereto.

(d) The Dissemination Agent shall file a report with the Corporation, the Authority and the Bond Trustee (if the Dissemination Agent is not the Bond Trustee) certifying that the Corporation has filed a report (directly or through the Dissemination Agent) purporting to be an Annual Report pursuant to this Disclosure Undertaking and stating the date it was provided (if such report was provided).

(e) The Corporation shall, or shall cause the Dissemination Agent, if any, to, provide to the MSRB a Quarterly Report, not later than 60 days after the end of each of the Corporation's first three fiscal quarters of each fiscal year, commencing with the fiscal quarter ending September 30, 2024. The Corporation shall not be required to provide a Quarterly Report for the fourth fiscal quarter of any fiscal year. On or prior to said filing date (except that in the event the Corporation elects to have the Dissemination Agent file such Quarterly Report, five (5) Business Days prior to such date) such Quarterly Report shall be provided by the Corporation to the Dissemination Agent together with either (i) a letter authorizing the Dissemination Agent to file the Quarterly Report with the MSRB, or (ii) a certificate stating that the Corporation has provided the Quarterly Report to the MSRB and the date on which such Quarterly Report was provided. In each case, the Quarterly Report may be submitted as a single document or as separate documents comprising a package and may cross-reference other information as provided in Section 4 of this Disclosure Undertaking.

SECTION 4. Content of Annual Reports and Quarterly Reports.

(a) *Annual Report.* The Corporation's Annual Report shall contain or incorporate by reference the following:

(i) audited financial statements (including footnotes) of the System, which financial statements may be individual, combined or consolidated, prepared in accordance with generally accepted accounting/auditing principles as in effect from time to time, consistently applied unless otherwise explained in footnotes to the financial statements provided, consisting of:

1. balance sheet as of the close of the most recent fiscal year of the System (with comparative totals for the immediately preceding fiscal year);
2. statement of operations and changes in net assets without donor restrictions (statement of activity) for the most recent fiscal year of the System (with comparative totals for the immediately preceding fiscal year); and
3. statements of changes in net assets (net assets with and without donor restrictions) for the most recent fiscal year of the System (with comparative totals for the immediately preceding fiscal year); and
4. statement of cash flow for the most recent fiscal year of the System (with comparative totals for the immediately preceding fiscal year).

(ii) data, prepared from the records of the Corporation, regarding, without limitation, financial and operating data generally of the type included in the Official Statement for the 2024A Bonds concerning the System or the Obligated Group, which shall include annual or year-end information for the System or the Obligated Group, generally of the type presented in Appendix A to the Official Statement as follows:

1. Medical Staff by Specialty (such as presented in Table A-1);
2. Allied Provider by Specialty (such as presented in Table A-2);
3. System Selected Financial Information (such as presented in Table A-3), including narrative description of the percentage that the Obligated Group constitutes of total System revenues, total System assets and System assets excluding the equity method of accounting for Security Health Plan;
4. Payor Charges (such as presented in Table A-4);
5. Statistical Measures of Clinical Services (such as presented in Table A-5);
6. The System Consolidated Statement of Operations and Changes in Net Assets without Donor Restrictions (such as presented in Table A-6);
7. The System Consolidated Balance Sheets (such as presented in Table A-7);
8. Obligated Group Maximum Annual Debt Service Coverage Ratio (such as presented in Table A-8; excluding any projected/pro forma data);
9. Obligated Group Days Cash on Hand (such as presented in Table A-9); and
10. Financial Ratios – The System and Financial Ratios – Obligated Group (such as presented in Tables A-10(A) and A-10(B)).

The above information may be presented together with a narrative explanation, if necessary to avoid misunderstanding, regarding the presentation of financial and operating data concerning the System or the Obligated Group and the financial and operating condition of the System or the Obligated Group; provided, however, that the references above to specific sections or table headings of Appendix A of the Official Statement used in connection with the 2024A Bonds as a means of identification shall not prevent the

Corporation from reorganizing such material in subsequent official statements. The financial information to be provided pursuant to Section 4(a)(ii) above may be provided on a System basis or an Obligated Group basis, at the election of the Corporation, and shall be provided on an Obligated Group basis during any time in which quantitative financial tests and provisions under the Master Indenture are required to be done pursuant to the Master Indenture on an Obligated Group basis.

(b) *Quarterly Report.* The Corporation's Quarterly Reports consist of or otherwise incorporate the combined or consolidated unaudited financial statements of the System for the prior fiscal quarter, including all Members, which financial statements shall include a balance sheet and statement of operations as of the end of that period, each prepared in accordance with generally accepted accounting principles (subject to year-end adjustments and with the exception of any required related footnote disclosure). These financial statements may include entities that are not Members of the Obligated Group if they contain a combining or consolidating schedule from which financial information solely relating to the Obligated Group Members may be derived.

(c) If any part of the Annual Report or Quarterly Report can no longer be generated because the operations to which it is related have been materially changed or discontinued, the Obligated Group Agent shall disseminate a statement to that effect as part of the Annual Report and/or Quarterly Report for the period following the occurrence of such event. If any amendment is made pursuant to the terms of this Disclosure Undertaking, the Annual Report for the year in which such amendment is made shall contain a narrative description of the reasons for the amendment and its impact on the information being provided.

(d) Any or all of the items listed above may be incorporated by reference from other documents, including financial statements provided under (a) above, or other official statements of debt issues with respect to which any Member of the Obligated Group is an "obligated person" (as defined by the Rule), which have been (i) made available to the public on the MSRB's Electronic Municipal Market Access (EMMA) System, the current internet web address of which is www.emma.msrb.org, or (ii) filed with the Securities and Exchange Commission. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The Corporation shall clearly identify each such other document so incorporated by reference.

SECTION 5. Reporting of Listed Events.

(a) The Corporation shall, or shall cause the Dissemination Agent, if any, to, give notice of the occurrence of any of the following Listed Events relating to the 2024A Bonds to the MSRB in a timely manner not later than 10 Business Days after the occurrence of any such Listed Event:

1. Principal and interest payment delinquencies;
2. Non-payment related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers or their failure to perform;
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701- TEB) or other material notices of determinations with respect to the tax status of the 2024A Bonds, or other material events affecting the tax status of the 2024A Bonds;

7. Modifications to the rights of the Bond owners, if material;
8. Bond calls, if material, and tender offers;
9. Defeasances;
10. Release, substitution or sale of property securing repayment of the 2024A Bonds, if material;
11. Rating changes;
12. Bankruptcy, insolvency, receivership or similar event of any member of the Obligated Group;

Note to clause (12): For the purposes of the event identified in clause (12) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for any Member of the Obligated Group in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or government authority has assumed jurisdiction over substantially all of the assets or business of any Member of the Obligated Group, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of any Member of the Obligated Group.

13. The consummation of a merger, consolidation, or acquisition involving any Member of the Obligated Group or the sale of all or substantially all of the assets of any Member of the Obligated Group, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
14. Appointment of a successor or additional Trustee or the change of the name of the Trustee, if material;
15. Incurrence of a Financial Obligation of any Member of the Obligated Group, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of any Member of the Obligated Group, any of which affect security holders, if material; and
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of any Member of the Obligated Group, any of which reflect financial difficulties.

(b) The Dissemination Agent shall, promptly after obtaining actual knowledge of the occurrence or possible occurrence of any of the Listed Events set forth in subsection (a) above, contact the Disclosure Representative and inform such person of the event. “Actual knowledge” for purposes of this subsection (b) shall mean actual knowledge of an officer of the Dissemination Agent.

(c) Whenever the Corporation obtains knowledge of the occurrence of a Listed Event set forth in clauses (2), (7), (8) (relating to Bond calls only), (10), (13), (14), or (15) of subsection (a) above, whether

because of a notice from the Dissemination Agent pursuant to subsection (b) or otherwise, the Corporation shall as soon as possible determine if such event would constitute material information for Bondholders, and if such event is determined by the Corporation to be material, the Corporation shall, or shall cause the Dissemination Agent to, give notice of such event to the MSRB not later than 10 Business Days after the occurrence of such event.

(d) If the Corporation elects to have the Dissemination Agent, if any, file notice of any Listed Event, the Corporation will provide the notice to the Dissemination Agent promptly after the occurrence of the Listed Event along with an instruction to file the notice with the MSRB.

SECTION 6. Termination of Reporting Obligation.

(a) The Corporation's and the Dissemination Agent's obligations under this Disclosure Undertaking shall terminate upon the legal defeasance, prior redemption or payment in full of all of the 2024A Bonds. If the Corporation's obligations under the Loan Agreement are assumed in full by some other entity, such person shall be responsible for compliance with this Disclosure Undertaking in the same manner as if it were the Corporation. The original Corporation shall have no further responsibility hereunder only to the extent that the Corporation ceases to be an obligated person with respect to the 2024A Bonds within the meaning of the Rule.

(b) In addition, the Corporation's obligations under the provisions of this Disclosure Undertaking shall terminate (in whole or in part, as the case may be) in the event that (1) the Corporation delivers to the Dissemination Agent, if any, the Bond Trustee, and the Authority an opinion of nationally recognized bond counsel or counsel expert in federal securities laws, addressed to the Dissemination Agent, if any, the Bond Trustee and the Authority, to the effect that those portions of the Rule which require the provisions of this Disclosure Undertaking, or any of such provisions, do not or no longer apply to the 2024A Bonds, whether because such portions of the Rule are invalid, have been repealed, or otherwise, as shall be specified in such opinion (but such termination of the Corporation's obligations shall be effective only to the extent specifically addressed by such opinion), and (2) the Dissemination Agent delivers copies of such opinion to (i) the MSRB, (ii) the Authority, and (iii) the Bond Trustee (if other than the Dissemination Agent). The Dissemination Agent shall so deliver such opinion promptly.

SECTION 7. Dissemination Agent.

(a) The Corporation may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Undertaking, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. On the date of delivery of the 2024A Bonds the Corporation has not appointed a Dissemination Agent and shall make the required filings as set forth in this Disclosure Undertaking.

(b) The Dissemination Agent, or any successor thereof, may at any time resign and be discharged of its duties and obligations hereunder by giving not less than 30 days written notice to the Authority, the Corporation and the registered owners of the 2024A Bonds, specifying the date when such resignation shall take effect. Such resignation shall take effect upon the date a successor shall have been appointed by the Corporation or by a court upon the application of the Dissemination Agent.

(c) In case the Dissemination Agent, or any successor thereof, shall resign or shall be removed or shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or if a receiver, liquidator or conservator of the Dissemination Agent or of its property shall be appointed, or if any public officer shall take charge of control of the Dissemination Agent, or of its property or affairs, the Corporation shall forthwith appoint a Dissemination Agent to act. The Corporation shall give or cause to be given written

notice of any such appointment to the Owners (as such term is defined in the Loan Agreement), the Bond Trustee (if the Bond Trustee is not the Dissemination Agent), and the Authority.

(d) Any company into which the Dissemination Agent may be merged or with which it may be consolidated or any company resulting from any merger or consolidation to which it shall be a party or any company to which such Dissemination Agent may sell or transfer all or substantially all of its corporate business, shall be the successor to such Dissemination Agent, without any further act or deed.

SECTION 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Undertaking, the Corporation and the Dissemination Agent may amend this Disclosure Undertaking (and the Dissemination Agent shall acknowledge and agree to any amendment not modifying or otherwise affecting its duties, obligations or liabilities in such a way as they are expanded or increased) and any provision of this Disclosure Undertaking may be waived, if all of the following conditions are satisfied:

(a) such amendment is made in connection with a change in circumstances that arises from a change in legal (including regulatory) requirements, a change in law (including rules or regulations) or in interpretations thereof, or a change in the identity, nature or status of the Corporation or the type of business conducted thereby;

(b) this Disclosure Undertaking as so amended would have complied with the requirements of the Rule as of the date of this Disclosure Undertaking, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances;

(c) the Corporation shall have delivered an opinion of counsel, addressed to the Authority, the Corporation, the Dissemination Agent, if any, and the Bond Trustee, to the same effect as set forth in clause (b) above;

(d) either (i) the Corporation shall have delivered to the Authority, the Bond Trustee and the Dissemination Agent an opinion of counsel, unaffiliated with the Corporation (such as bond counsel) and acceptable to the Corporation, to the effect that the amendment does not materially impair the interests of the Holders of the 2024A Bonds or (ii) the Holders of the 2024A Bonds consent to the amendment to this Disclosure Undertaking pursuant to the same procedures as are required for amendments to the Bond Indenture with consent of the Holders of the 2024A Bonds pursuant to the Bond Indenture as in effect on the date of this Disclosure Undertaking; and

(e) the Corporation shall have delivered copies of such opinion(s) and amendment to the MSRB. The Dissemination Agent may rely and act upon such opinions.

SECTION 9. Additional Information. Nothing in this Disclosure Undertaking shall be deemed to prevent the Corporation from disseminating any other information, using the means of dissemination set forth in this Disclosure Undertaking or any other means of communication, or including any other information in any Annual Report or notice of the occurrence of a Listed Event, in addition to that which is required by this Disclosure Undertaking. If the Corporation chooses to include any information in any Annual Report or notice of the occurrence of a Listed Event, in addition to that which is specifically required by this Disclosure Undertaking, the Corporation shall have no obligation under this Disclosure Undertaking to update such information or include it in any future Annual Report or notice of the occurrence of a Listed Event. Nothing in this Disclosure Undertaking shall be deemed to prevent U.S. Bank Trust Company, National Association from providing a notice or disclosure as it may deem appropriate pursuant to any other capacity it may be acting in related to the 2024A Bonds.

SECTION 10. Default. In the event of a failure of the Corporation or the Dissemination Agent to comply with any provision of this Disclosure Undertaking, the Dissemination Agent may (and, at the request of any of the Holders of at least 25% of the aggregate principal amount of Outstanding Bonds who have provided security and indemnity deemed acceptable to the Dissemination Agent, shall), or any party who can establish beneficial ownership of any of the 2024A Bonds, or any Bondholder may, after providing 15 days written notice to the Corporation to give the Corporation opportunity to comply within such 15 day period, take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Corporation to comply with its obligations under this Disclosure Undertaking. A default under this Disclosure Undertaking shall not be deemed an Event of Default under the Bond Indenture or under the Loan Agreement, and the sole remedy available to the Dissemination Agent, any beneficial owners of the 2024A Bonds or the Bondholders under this Disclosure Undertaking in the event of any failure of the Corporation or the Dissemination Agent to comply with this Disclosure Undertaking shall be an action to compel performance.

SECTION 11. Duties, Immunities and Liabilities of Dissemination Agent.

(a) The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Undertaking. To the extent that the Dissemination Agent is required under the terms of this Disclosure Undertaking to report any information, it is only required to report information that it receives from the Corporation in the form in which it is received, and the Dissemination Agent shall be under no responsibility or duty with respect to the accuracy and content of the information which it receives from the Corporation. The Corporation agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including reasonable attorneys' fees and expenses) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or misconduct. The obligations of the Corporation under this Section shall survive resignation or removal of the Dissemination Agent and payment of the 2024A Bonds.

(b) Unless otherwise provided by contract with the Dissemination Agent, the Corporation shall pay or cause to be paid to the Dissemination Agent after reasonable notice to the Corporation in light of the reimbursement sought to be received, reasonable reimbursement for its reasonable expenses, charges, counsel fees and expenses and other disbursements and those of its attorneys, agents, and employees, incurred in and about the performance of its powers and duties hereunder. The Corporation shall indemnify and save the Dissemination Agent harmless against any expenses and liabilities which it may incur in the exercise and performance of its powers and duties hereunder which are not due to its negligence or default. None of the provisions contained in this Disclosure Undertaking shall require the Dissemination Agent to expend or risk its own funds or otherwise incur financial liability in the performance of any of its duties or in the exercise of any of its rights or powers. The obligations of the Corporation under this Section to compensate the Dissemination Agent, to pay or reimburse the Dissemination Agent for expenses, disbursements, charges and counsel fees and to indemnify and hold harmless the Dissemination Agent shall survive the termination of this Disclosure Undertaking.

(c) In no event shall the Dissemination Agent be liable for incidental, indirect, special, consequential or punitive damages (including, but not limited to, lost profits), even if the Dissemination Agent has been advised of the likelihood of such loss or damage and regardless of the form of action.

SECTION 12. Transmission of Notices, Documents and Information. (a) Unless otherwise required by the MSRB, all notices, documents and information provided to the MSRB pursuant to this Disclosure Undertaking shall be provided to the MSRB's Electronic Municipal Market Access (EMMA) System, the current internet web address of which is www.emma.msrb.org.

(b) All notices, documents and information provided to the MSRB shall be provided in an electronic format as prescribed by the MSRB and shall be accompanied by identifying information as prescribed by the MSRB.

SECTION 13. Beneficiaries. This Disclosure Undertaking shall inure solely to the benefit of the Authority, the Corporation, the Bond Trustee, the Dissemination Agent, if any, the Participating Underwriter, parties who can establish beneficial ownership of the 2024A Bonds and the Holders from time to time of the 2024A Bonds and shall create no rights in any other person or entity.

SECTION 14. Counterparts. If the Dissemination Agent is a party other than the Corporation, this Disclosure Undertaking may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 15. Notices. If the Dissemination Agent is a party other than the Corporation, the parties hereto may be given notices required hereunder at the addresses set forth for them in the Loan Agreement or the Bond Indenture.

SECTION 16. Applicable Law. This Disclosure Undertaking shall be governed by the laws of the State of Wisconsin, and by applicable federal laws.

CORPORATION:

MARSHFIELD CLINIC HEALTH SYSTEM, INC.

By: _____
Name: Jeanette M. Wojtalewicz
Title: Interim Chief Financial Officer

EXHIBIT A

To Continuing Disclosure Undertaking

NOTICE TO MSRB OF FAILURE TO FILE ANNUAL REPORT

Name of Authority: Wisconsin Health and Educational Facility Authority (the “*Authority*”)
Name of Bond Issue: \$[PAR] Wisconsin Health and Educational Facilities Authority Revenue Bonds, Series 2024A (Marshfield Clinic Health System, Inc.) (the “*2024A Bonds*”).
Name of Corporation: Marshfield Health Clinic System, Inc.
Date of Issuance: June [], 2024

NOTICE IS HEREBY GIVEN that Marshfield Health Clinic System, Inc. (the “*Corporation*”) has not yet provided an Annual Report with respect to the above-named Bonds as required by the Continuing Disclosure Undertaking dated June [], 2024. The Corporation has informed the Dissemination Agent that the Annual Report will be filed with the Dissemination Agent by _____.

Dated: _____

[DISSEMINATION AGENT],
as Dissemination Agent

By: _____
Name: _____
Title: _____

cc: Corporation
Authority

APPENDIX G
BOOK-ENTRY SYSTEM

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BOOK-ENTRY SYSTEM

Ownership interests in the Series 2024A Bonds will be available to purchasers only through a book-entry system (the “*Book-Entry System*”) maintained by The Depository Trust Company (“*DTC*”), New York, New York, which will act as securities depository for the Series 2024A Bonds. The Series 2024A Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered bond certificate will be issued in the aggregate principal amount of the Series 2024A Bonds and will be deposited with DTC.

DTC is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“*Direct Participants*”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly owned subsidiary of The Depository Trust & Clearing Corporation (“*DTCC*”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“*Indirect Participants*”). The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Series 2024A Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2024A Bonds on DTC’s records. The ownership interest of each actual purchaser of each Series 2024A Bond (“*Beneficial Owner*”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2024A Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Series 2024A Bonds, except in the event that use of the book-entry system for the Series 2024A Bonds is discontinued.

To facilitate subsequent transfers, all Series 2024A Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2024A Bonds with DTC and their registration in the name of Cede & Co. or such other nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2024A Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Series 2024A Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2024A Bonds may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Series 2024A Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Series 2024A Bond documents. For example, Beneficial Owners of Series 2024A Bonds may wish to ascertain that the nominee holding the Series 2024A Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners, in the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of the notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Series 2024A Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to the Series 2024A Bonds unless authorized by a Direct Participant in accordance with DTC's MMI procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Authority as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 2024A Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payments of principal, interest and redemption prices on the Series 2024A Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from the Authority or the Bond Trustee on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, the Bond Trustee or the Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, interest and redemption prices to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Authority or the Bond Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Series 2024A Bonds at any time by giving reasonable notice to the Authority or the Bond Trustee. Under such circumstances, in the event that a successor securities depository is not obtained, Series 2024A Bond certificates are required to be printed and delivered.

The Authority may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Series 2024A Bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from DTC. The Corporation, any future Obligated Issuers, the Authority and the Underwriters take no responsibility for the accuracy thereof and neither the DTC Participants nor the Beneficial Owners should rely on the foregoing information with respect to such matters but should instead confirm the same with DTC or the DTC Participants, as the case may be.

None of the Authority, the Underwriters, the Bond Trustee, the Corporation or any future Obligated Issuer will have any responsibility or obligations to any Direct Participants or Indirect Participants or the persons for whom they act with respect to (i) the accuracy of any records maintained by DTC or any such Direct Participant or Indirect Participant; (ii) the payment by any Participant of any amount due to any Beneficial Owner in respect of the principal of, premium, if any, or interest on the Series 2024A Bonds; (iii) the delivery by any such Direct Participant or Indirect Participant of any notice to any Beneficial Owner that is required or permitted under the terms of the Bond Indenture to be given to Bondholders; (iv) the selection of the Beneficial Owners to receive payment in the event of any partial redemption of the Series 2024A Bonds; or (v) any consent given or other action taken by DTC as Bondholder.

The Authority, the Corporation and the Bond Trustee cannot and do not give any assurances that DTC, the DTC Participants or the Indirect Participants will distribute to the Beneficial Owners of the Series 2024A Bonds (i) payments of principal or redemption price of or interest on the Series 2024A Bonds, (ii) certificates representing an ownership interest or other confirmation of Beneficial Ownership interests in Series 2024A Bonds, or (iii) redemption or other notices sent to DTC or Cede & Co., its nominee, as the Registered Owner of the Series 2024A Bonds, or that they will do so on a timely basis or that DTC, DTC Participants or Indirect Participants will serve and act in the manner described in this Official Statement. The current "Rules" applicable to DTC are on file with the Securities and Exchange Commission, and the current "Procedures" of DTC to be followed in dealing with DTC Participants are on file with DTC.

APPENDIX H

SPECIMEN MUNICIPAL BOND INSURANCE POLICY

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MUNICIPAL BOND INSURANCE POLICY (Annual Payments)

ISSUER: [NAME OF ISSUER]

Policy No: _____

MEMBER: [NAME OF MEMBER]

BONDS: \$ _____ in aggregate principal
amount of [NAME OF TRANSACTION]
[and maturing on]

Effective Date: _____

Initial Risk Premium: \$ _____

Initial Member Surplus Contribution: \$ _____

Total Initial Insurance Payment: \$ _____

Annual Insurance Payments: see attached Schedule A

BUILD AMERICA MUTUAL ASSURANCE COMPANY ("BAM"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") for the Bonds named above (as set forth in the documentation providing for the issuance and securing of the Bonds), for the benefit of the Owners or, at the election of BAM, directly to each Owner, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

On the later of the day on which such principal and interest becomes Due for Payment or the first Business Day following the Business Day on which BAM shall have received Notice of Nonpayment, BAM will disburse (but without duplication in the case of duplicate claims for the same Nonpayment) to or for the benefit of each Owner of the Bonds, the face amount of principal of and interest on the Bonds that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by BAM, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of such principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in BAM. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by BAM is incomplete, it shall be deemed not to have been received by BAM for purposes of the preceding sentence, and BAM shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, any of whom may submit an amended Notice of Nonpayment. Upon disbursement under this Policy in respect of a Bond and to the extent of such payment, BAM shall become the owner of such Bond, any appurtenant coupon to such Bond and right to receipt of payment of principal of or interest on such Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under such Bond. Payment by BAM either to the Trustee or Paying Agent for the benefit of the Owners, or directly to the Owners, on account of any Nonpayment shall discharge the obligation of BAM under this Policy with respect to said Nonpayment.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent (as defined herein) are authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity (unless BAM shall

elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration) and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment made to an Owner by or on behalf of the Issuer of principal or interest that is Due for Payment, which payment has been recovered from such Owner pursuant to the United States Bankruptcy Code in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means delivery to BAM of a notice of claim and certificate, by certified mail, email or telecopy as set forth on the attached Schedule or other acceptable electronic delivery, in a form satisfactory to BAM, from and signed by an Owner, the Trustee or the Paying Agent, which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount, (d) payment instructions and (e) the date such claimed amount becomes or became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer, the Member or any other person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

BAM may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee, the Paying Agent, the Member and the Issuer specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee, the Paying Agent, the Member or the Issuer (a) copies of all notices required to be delivered to BAM pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to BAM and shall not be deemed received until received by both and (b) all payments required to be made by BAM under this Policy may be made directly by BAM or by the Insurer's Fiscal Agent on behalf of BAM. The Insurer's Fiscal Agent is the agent of BAM only, and the Insurer's Fiscal Agent shall in no event be liable to the Trustee, Paying Agent or any Owner for any act of the Insurer's Fiscal Agent or any failure of BAM to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, BAM agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to BAM to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy. This Policy may not be canceled or revoked, whether for failure to pay any Installment Payment set forth in the attached Schedule or otherwise.

This Policy sets forth in full the undertaking of BAM and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW. THIS POLICY IS ISSUED WITHOUT CONTINGENT MUTUAL LIABILITY FOR ASSESSMENT.

In witness whereof, BUILD AMERICA MUTUAL ASSURANCE COMPANY has caused this Policy to be executed on its behalf by its Authorized Officer.

BUILD AMERICA MUTUAL ASSURANCE COMPANY

By: _____
Authorized Officer

**Schedule A to
Municipal Bond Policy No. _____**

In consideration for the issuance of the Policy on the closing date and as provided in the Bond documents, the Issuer has paid, or caused to be paid, an initial insurance payment comprised of an Initial Risk Premium and an Initial Member Surplus Contribution. Beginning on _____, _____, and on each one-year anniversary thereafter, the Issuer shall pay, or cause to be paid, an annual payment (the "Annual Insurance Payments") on the principal amount of Bonds outstanding on such date, (taking into account any principal payment made on the Bonds on such date), at the rate of _____% as further consideration for the issuance of the Policy as set forth below. No portion of the Initial Risk Premium, the Initial Member Surplus Contribution, or any paid Annual Insurance Payment is refundable for any reason, including without limitation any legal defeasance or payment on the Bonds prior to maturity. The Annual Insurance Payments shown below assume that all Bonds are retired in accordance with their respective maturity and mandatory sinking fund redemption requirements, and accordingly are subject to adjustment for actual par outstanding on such payment dates.

Annual Insurance Payments

Annual Insurance Payment Date	Member Surplus Contribution	Risk Premium	Total Annual Insurance Payment

Notices (Unless Otherwise Specified by BAM)

Email:

claims@buildamerica.com

Address:

200 Liberty Street, 27th floor
New York, New York 10281

Telecopy:

212-962-1524 (attention: Claims)

SPECIMEN



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