NEW ISSUE **See "RATINGS" herein.**

In the opinion of Hawkins Delafield & Wood LLP, Bond Counsel to the Authority, under existing statutes and court decisions and assuming continuing compliance with certain tax covenants described herein, (i) interest on the Series 2025A Bonds is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) interest on the Series 2025A Bonds is not treated as a preference item in calculating the alternative minimum tax under the Code, however, interest on the Series 2025A Bonds is included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. In addition, in the opinion of Bond Counsel to the Authority, under existing statutes, interest on the Series 2025A Bonds is exempt from the State of Maine income tax imposed on individuals. See "TAX MATTERS" herein.

MHHEFA
Maine Health & Higher Educational Facilities Authority

$78,140,000
MAINE HEALTH AND HIGHER EDUCATIONAL FACILITIES AUTHORITY
Revenue Bonds, Series 2025A

Dated: Date of Delivery **Due: July 1, as shown on inside cover**

The above-referenced Series 2025A Bonds (the "Series 2025A Bonds") are issuable only as fully registered bonds and, when issued, will be registered in the name of Cede & Co., as nominee for The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository for the Series 2025A Bonds. Purchases of the Series 2025A Bonds will be made in book-entry form, in the denomination of $5,000 or any integral multiple thereof. Purchasers will not receive certificates representing their interest in Series 2025A Bonds purchased. So long as Cede & Co. is the Bondholder, as nominee for DTC, references herein to the Bondholders or registered owners shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners of the Series 2025A Bonds.

Principal and semiannual interest on the Series 2025A Bonds will be paid by U.S. Bank Trust Company, National Association, Boston, Massachusetts, as Paying Agent. So long as DTC or its nominee, Cede & Co., is the Bondholder, such payments will be made directly to such Bondholder. Interest on the Series 2025A Bonds will be payable on January 1, 2026 and semiannually thereafter on each January 1 and July 1. **The Series 2025A Bonds are subject to redemption prior to maturity, including redemption at par under certain circumstances, as described herein under "The Series 2025A Bonds - Redemption."**

The Series 2025A Bonds are special obligations of the Maine Health and Higher Educational Facilities Authority (the "Authority") payable solely from the sources of revenue pledged and assigned therefor by the Authority pursuant to the Bond Indenture (hereinafter defined), including payments on the Series 2025A Notes (hereinafter defined) issued by the Series 2025A Institutions (hereinafter defined) pursuant to the Series 2025A Loan Agreements (hereinafter defined) between the Series 2025A Institutions, respectively, and the Authority, all as more fully described herein. Each of the Series 2025A Loan Agreements constitutes the full faith and credit general obligation of the respective Series 2025A Institution. The Series 2025A Bonds will also be payable from certain other sources, including certain funds pledged therefor in a Reserve Fund held by U.S. Bank Trust Company, National Association, Boston, Massachusetts, as successor Reserve Fund Trustee. See "RESERVE FUND" and "STATE FUNDING INTERCEPT" herein.

The scheduled payment of principal of and interest on the Series 2025A Bonds when due will be guaranteed under an insurance policy to be issued concurrently with the delivery of the Series 2025A Bonds by **ASSURED GUARANTY INC.** (the "Bond Insurer").

ASSURED GUARANTY®

THE SERIES 2025A BONDS ARE NOT AND SHALL NOT BE DEEMED TO CONSTITUTE A DEBT OR LIABILITY OR A PLEDGE OF THE FAITH AND CREDIT OF THE STATE OF MAINE OR ANY POLITICAL SUBDIVISION THEREOF BUT SHALL BE PAYABLE SOLELY FROM PLEDGED REVENUES UNDER THE BOND INDENTURE. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF MAINE OR OF ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THE SERIES 2025A BONDS. THE AUTHORITY HAS NO TAXING POWER.

The Series 2025A Bonds are being offered when, as and if issued by the Authority and accepted by the Underwriter (hereinafter defined), subject to prior sale or to withdrawal or modification of the offer without notice and subject to the approval of legality by Hawkins Delafield & Wood LLP, New York, New York, Bond Counsel to the Authority. Certain legal matters will be passed upon for the Underwriter by Troutman Pepper Locke LLP, Boston, Massachusetts. Hilltop Securities Inc. is serving as municipal advisor to the Authority in connection with the issuance of the Series 2025A Bonds. Certain legal matters will be passed upon for the Authority by Verrill Dana LLP, Portland, Maine. It is expected that the Series 2025A Bonds will be available for delivery to DTC in New York, New York, on or about May 15, 2025.

RAYMOND JAMES®

Dated: April 30, 2025

MATURITIES, AMOUNTS, INTEREST RATES, YIELDS AND CUSIPS

$78,140,000
Maine Health and Higher Educational Facilities Authority
Revenue Bonds, Series 2025A

$52,925,000 Serial Bonds

Year (July 1)	Principal Amount	Interest Rate	Yield	CUSIP 56042S†	Year (July 1)	Principal Amount	Interest Rate	Yield	CUSIP 56042S†
2026	$1,250,000	5.00%	3.19%	EF3	2036	$2,800,000	5.00%	3.89%*	ER7
2027	1,805,000	5.00	3.26	EG1	2037	2,940,000	5.00	3.97*	ES5
2028	1,900,000	5.00	3.29	EH9	2038	3,095,000	5.00	4.03*	ET3
2029	1,990,000	5.00	3.37	EJ5	2039	3,245,000	5.00	4.10*	EU0
2030	2,095,000	5.00	3.44	EK2	2040	3,410,000	5.00	4.21*	EV8
2031	2,195,000	5.00	3.49	EL0	2041	2,945,000	5.00	4.32*	EW6
2032	2,310,000	5.00	3.57	EM8	2042	3,090,000	5.00	4.42*	EX4
2033	2,420,000	5.00	3.63	EN6	2043	3,235,000	5.00	4.50*	EY2
2034	2,545,000	5.00	3.73	EP1	2044	3,405,000	5.00	4.56*	EZ9
2035	2,675,000	5.00	3.81	EQ9	2045	3,575,000	5.00	4.62*	FA3

$11,050,000 5.00% Term Bonds Due July 1, 2050, Yield 4.78%*, CUSIP 56042SFB1†
$14,165,000 5.25% Term Bonds Due July 1, 2055, Yield 4.79%*, CUSIP 56042SFC9†

* Priced at the stated yield to the first optional redemption date of July 1, 2035.

† "CUSIP" is a copyright of American Bankers Association. CUSIP Global Services (CGS) is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. Copyright(c) 2025 CUSIP Global Services. All rights reserved. CUSIP® data herein is provided by CUSIP Global Services. 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 Bondholders only at the time of issuance of the Series 2025A Bonds and none of the Authority, the Series 2025A Institutions or the Underwriter makes any representation with respect to such numbers or undertakes any responsibility for their accuracy now or at any time in the future.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER LISTED ON THE COVER PAGE HEREOF AND UNDER THE CAPTION "UNDERWRITING" HEREIN (THE "UNDERWRITER") MAY OVERALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2025A BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

No dealer, broker, salesman or other person has been authorized by the Maine Health and Higher Educational Facilities Authority, the Series 2025A Institutions (as defined herein) or the Underwriter to give any information or to make any representations with respect to the Series 2025A Bonds, other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. The information contained herein under the heading "THE AUTHORITY" has been furnished by the Maine Health and Higher Educational Facilities Authority. All other information contained herein has been obtained from other sources which are believed to be reliable, but it is not guaranteed as to accuracy or completeness by, and is not to be construed to be the representation of, the Maine Health and Higher Educational Facilities Authority or the Underwriter. 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 parties referred to above since the date hereof. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, and there shall not be any sale of, the Series 2025A Bonds in any state in which it is unlawful to make such offer, solicitation or sale.

Assured Guaranty Inc. ("AG") makes no representation regarding the Series 2025A Bonds or the advisability of investing in the Series 2025A Bonds. In addition, AG 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 AG supplied by AG and presented under the heading "BOND INSURANCE" and "Appendix E - Specimen Municipal Bond Insurance Policy."

TABLE OF CONTENTS

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MAINE HEALTH AND HIGHER EDUCATIONAL FACILITIES AUTHORITY

OFFICIAL STATEMENT

Relating to

$78,140,000
Maine Health and Higher Educational Facilities Authority
Revenue Bonds, Series 2025A

INTRODUCTORY STATEMENT

The descriptions and summaries of various documents set forth herein do not purport to be comprehensive or definitive, and reference is made to each document for the complete details of all terms and conditions. All statements herein are qualified in their entirety by reference to each document. See Appendix C for certain provisions of the principal documents and for definitions of certain capitalized words and terms used but not defined elsewhere in this Official Statement.

Purpose

The purpose of this Official Statement, including the cover page, inside cover page and appendices hereto, is to set forth certain information concerning the Maine Health and Higher Educational Facilities Authority (the "Authority") and its $78,140,000 Revenue Bonds, Series 2025A (the "Series 2025A Bonds"), issued pursuant to a Bond Indenture dated as of April 1, 1995 (the "Original Indenture"), as amended and supplemented by the Sixty-Third Supplemental Bond Indenture dated as of May 1, 2025 (the "Supplemental Indenture" and together with the Original Indenture, the "Bond Indenture"), each between the Authority and U.S. Bank Trust Company, National Association, Boston, Massachusetts, as successor Bond Trustee (the "Bond Trustee"), and authorized by the Authority's Bond Resolution adopted March 21, 2025, as amended on April 23, 2025 (the "Bond Resolution") and a certificate of determination of an officer of the Authority as to the Series 2025A Bonds. The Series 2025A Bonds are issued and secured under the Bond Indenture and the Bond Resolution in accordance with the Maine Health and Higher Educational Facilities Authority Act, being Chapter 413 of Title 22, Sections 2051 to 2077, inclusive, of the Maine Revised Statutes Annotated, as it may be amended from time to time (the "Act"). The Series 2025A Bonds, any bonds previously issued by the Authority pursuant to the Bond Indenture and any additional bonds that may be issued pursuant to the Bond Indenture and which are secured by the Reserve Fund (as defined below; see "INTRODUCTORY STATEMENT – Reserve Fund" below) are referred to collectively as the "Bonds."

Use of Proceeds

The proceeds of the Series 2025A Bonds will be loaned by the Authority to College of the Atlantic ("COA"), The Jesup Memorial Library of Bar Harbor ("Jesup"), John F. Murphy Homes, Inc. ("JFM"), North Yarmouth Academy ("NYA"), Northern Maine Medical Center ("NMMC"), Redington-Fairview General Hospital ("RFGH"), Trustees of Foxcroft Academy ("Foxcroft") and Woodfords Family Services ("Woodfords", and together with COA, Jesup, JFM, NYA, NMMC, RFGH and Foxcroft, the "Series 2025A Institutions"). Each of the Series 2025A Institutions will enter into a Loan Agreement and Mortgage (collectively, the "Series 2025A Loan Agreements") with the Authority, pursuant to which the Authority will loan a portion of the proceeds of the Series 2025A Bonds to each Series 2025A Institution and each

Series 2025A Institution will agree to make payments sufficient to repay its loan and make certain other payments. The Series 2025A Loan Agreements will constitute several, and not joint, obligations of the Series 2025A Institutions. See Appendix C – "Certain Provisions of Principal Documents – Certain Provisions of the Agreements."

The proceeds of the Series 2025A Bonds, together with other available funds, will be used to: (i) finance and refinance the cost of the acquisition, construction, equipping and installation by the Series 2025A Institutions of healthcare, educational, community health, social service or mental health facilities, including the repayment of certain outstanding indebtedness of Foxcroft; (ii) fund the amount necessary so that the Reserve Fund is at the Reserve Fund Requirement; (iii) pay the premium for the Policy (hereinafter defined) issued by Assured Guaranty Inc. ("AG" or the "Bond Insurer"); and (iv) pay the costs of issuance of the Series 2025A Bonds. See "PLAN OF FINANCE" and "ESTIMATED SOURCES AND USES OF FUNDS" herein. For a brief description of the Series 2025A Institutions, see "THE INSTITUTIONS – The Series 2025A Institutions." For the approximate amounts of the loans to each of the individual Series 2025A Institutions, see Appendix A – "Institutions and Their Loans."

Security

The Series 2025A Bonds will be secured by (i) mortgages on the Facilities of the Series 2025A Institutions and security interests in the Equipment of the Series 2025A Institutions, granted in connection with the Series 2025A Bonds, (ii) security interests in the Gross Receipts of the Series 2025A Institutions, granted in connection with the Series 2025A Bonds, (iii) the security interests granted by various Institutions in connection with the issuance of the Prior Bonds (as defined below) and (iv) the Reserve Fund Resolution (as described herein). In addition, the Series 2025A Bonds will be secured as described under the caption "SECURITY FOR THE SERIES 2025A BONDS – Loan Agreements." Simultaneously with the issuance of the Series 2025A Bonds and in consideration of the Authority's loan to the Series 2025A Institutions of certain proceeds of the Series 2025A Bonds under the respective Series 2025A Loan Agreements, each Series 2025A Institution will issue a note dated as of May 1, 2025 (collectively, the "Series 2025A Notes") to the Authority. The Series 2025A Notes will be issued under and pursuant to the Series 2025A Loan Agreements. The Series 2025A Notes will be pledged and assigned by the Authority to the Bond Trustee under the Bond Indenture for the benefit of the Holders of the Series 2025A Bonds, the holders of Bonds previously issued under the Original Indenture and the holders of any Additional Bonds issued under the Original Indenture. The Series 2025A Bonds will be issued on parity with all Bonds previously or hereafter issued under or pursuant to the Bond Indenture, together with all other series of Bonds secured by the Reserve Fund described below. The Series 2025A Notes will have terms and conditions to provide payments thereon in the aggregate amount sufficient, together with amounts available under the Reserve Fund Resolution, to pay all amounts to become due on the Series 2025A Bonds. See "SECURITY FOR THE SERIES 2025A BONDS." The ability of each of the Series 2025A Institutions to create encumbrances upon its property will be limited by the terms of the respective Series 2025A Loan Agreements. See Appendix C – "Certain Provisions of Principal Documents – Certain Provisions of the Agreements."

Pursuant to a Supplemental Bond Indenture dated as of July 1, 1995, the Authority amended its existing bond indentures pursuant to which its first nine series of the Prior Bonds were issued (up to and including the Series 1995A Bonds), in order to provide that all of such Prior Bonds, together with all Bonds issued since that time pursuant to the Bond Indenture, and any additional bonds issued under any of such bond indentures or under the Bond Indenture, shall be secured on a parity basis not only by the Reserve Fund (which had been the case), but also by the Bond Fund (which contains the Interest Account, Sinking Fund Account, Principal Account and Redemption Account) established under each of such existing bond indentures and the Bond Indenture.

Bond Insurance

Payment of the principal of and interest on the Series 2025A Bonds at their scheduled payment dates will be insured by a bond insurance policy (the "Policy") issued by the Bond Insurer concurrently with the original delivery of the Series 2025A Bonds. Attached hereto as Appendix E is a copy of the form of Policy. See also "BOND INSURANCE." The information relating to the Bond Insurer herein under the caption "BOND INSURANCE" and the form of Policy contained in Appendix E hereto have been furnished by the Bond Insurer. No representation is made by the Authority, the Series 2025A Institutions, the Bond Trustee, or their respective counsel as to the adequacy or accuracy of such information as of the date hereof or as to the absence of material adverse changes in such information subsequent to the date hereof. None of the Authority, the Series 2025A Institutions, the Bond Trustee nor their respective counsel has made any independent investigation of the Bond Insurer or the Policy, and reference should be made to the information set forth under the caption "BOND INSURANCE" herein and in Appendix E attached hereto. There can be no assurance that the Bond Insurer will be financially able to meet its contractual obligations under the Policy.

Reserve Fund

On December 6, 1991, the Authority adopted a Resolution Establishing the Maine Health Facilities' Reserve Fund (the "Reserve Fund Resolution"), pursuant to which the Maine Health Facilities' Reserve Fund (the "Reserve Fund") was established and Shawmut Bank, N.A. (now U.S. Bank Trust Company, National Association), Boston, Massachusetts, was appointed Reserve Fund Trustee (the "Reserve Fund Trustee"). The Reserve Fund was established to secure the payment of Bonds designated by the Authority and issued to assist participating health care facilities, institutions for higher education, community mental health facilities and other eligible facilities, as such terms are defined in the Act. As of September 30, 2024, but prior to the issuance of the Series 2025A Bonds, the Reserve Fund is funded in the amount of $80,559,542, which amount equals or exceeds the Reserve Fund Requirement and secures $862,875,000 aggregate principal amount of outstanding Bonds heretofore issued by the Authority. For a list of the participating borrowers, including the Series 2025A Institutions, whose loans are secured by the Reserve Fund (herein, collectively, the "Institutions"), see Appendix A.

The Reserve Fund was initially funded from proceeds of the Authority's Revenue Bonds, Series 1991 (the "Series 1991 Bonds") and other available moneys in an amount equal to the Reserve Fund Requirement in effect at the time of issuance of the Series 1991 Bonds. The Reserve Fund has been funded subsequently in connection with the issuance by the Authority of the Bonds (together with the Series 1991 Bonds, the "Prior Bonds"), in each case in an amount that, together with amounts already on deposit in the Reserve Fund, at least equaled the Reserve Fund Requirement after giving effect to the issuance of each series of the Prior Bonds. For information concerning the Prior Bonds, see "THE AUTHORITY – Outstanding Indebtedness of the Authority." The Reserve Fund Resolution provides that the Authority may from time to time designate other bonds of the Authority, such as the Series 2025A Bonds, as secured by the Reserve Fund in accordance with the provisions of the Reserve Fund Resolution. The Reserve Fund Requirement is defined in the Reserve Fund Resolution to mean an amount not less than the greatest amount required to be paid in any calendar year with respect to all Bonds, including the Prior Bonds and the Series 2025A Bonds, which have been designated by the Authority as being secured by the Reserve Fund. Upon the issuance of the Series 2025A Bonds, there will be on deposit with the Reserve Fund Trustee an amount that will equal the Reserve Fund Requirement after having given effect to the issuance of the Series 2025A Bonds. The Reserve Fund may be drawn upon to pay any principal and interest due and owing on the Bonds. See "RESERVE FUND."

State Appropriation. The Act provides that in order to assure the maintenance of the Reserve Fund Requirement, there shall be appropriated annually and paid to the Authority for deposit in the Reserve Fund such sum, if any, as shall be certified by the Executive Director of the Authority to the Governor of the

State of Maine (the "State") as necessary to restore the Reserve Fund to an amount equal to the Reserve Fund Requirement. Under the Act, and for purposes of determining the required amount or amounts to be on deposit in the Reserve Fund, the amount of any letter of credit, insurance contract, surety bond or similar financial undertaking available to be drawn upon and applied to obligations to which money in the Reserve Fund may be applied is deemed to be and must be counted as money in the Reserve Fund. Under the Reserve Fund Resolution, the Executive Director is required annually, on or before December 1, to make and deliver to the Governor of the State his certificate stating the sum, if any, required to restore the Reserve Fund to the Reserve Fund Requirement. Under the Act, the sum so certified shall be appropriated and paid to the Authority during the then current State fiscal year.

The aforesaid provisions of the Act and the Reserve Fund Resolution do not constitute a legally enforceable obligation of the State or create a debt on behalf of the State. However, there is no constitutional bar to future legislatures to appropriate such sum as shall have been certified by the Executive Director of the Authority to the Governor as necessary to restore the Reserve Fund to an amount equal to the Reserve Fund Requirement.

Special Obligations

The Series 2025A Bonds are special obligations of the Authority. Neither the State nor any political subdivision thereof shall be obligated to pay the principal of or interest on the Series 2025A Bonds, except from the Pledged Revenues, and neither the faith and credit nor the taxing power of the State or of any political subdivision thereof is pledged to the payment of the principal of or interest on the Series 2025A Bonds. The Authority does not have taxing power.

Bondholders' Risks

For information concerning certain risks relating to future revenues and expenses of the Institutions, health care legislation which might affect the operations of the Health Care Institutions (as defined herein) and other considerations, see the material included under the captions "THE INSTITUTIONS" and "BONDHOLDERS' RISKS" herein, which material should be read in its entirety.

Proposed Amendment to the Original Indenture

The Authority has determined to amend the definition of "Permitted Investments" in Section 1.01 of the Original Indenture to read as follows:

"Permitted Investments" shall mean and include any of the following, if and to the extent the same are at the time legal investments of the Authority's money:

(A) Government Obligations;

(B) Government Obligations which have been stripped of their unmatured interest coupons and interest coupons stripped from Government Obligations and receipts, certificates or other similar documents evidencing ownership of future principal or interest payments due on Government Obligations ~~which are held in a custody or trust account by a commercial bank which is a member of the Federal Deposit Insurance Corporation and which has combined capital, surplus and undivided profits of not less than $20,000,000~~;

(C) Bonds, debentures, notes or other evidences of indebtedness issued by any of the following: Federal Home Loan Banks; Federal Home Loan Mortgage Corporation (including participation certificates); Federal National Mortgage Association; Government National Mortgage Association; Bank for Cooperatives; Federal Intermediate Credit Banks; Federal Financing Bank; Export-Import Bank of the

United States; ~~or~~ Federal Land Banks; Farm Credit System; Resolution Funding Corporation; or Tennessee Valley Authority;

(D) All other obligations issued or unconditionally guaranteed as to the timely payment of principal and interest by an agency or Person controlled or supervised by and acting as an instrumentality of the United States government pursuant to authority granted by Congress;

(E) (i) Interest-bearing time or demand deposits, certificates of deposit, or other similar banking arrangements with any government securities dealer, bank, trust company, savings and loan association, national banking association or other savings institution (including the Bond Trustee or any affiliate thereof), provided that such deposits, certificates, and other arrangements are fully insured by the Federal Deposit Insurance Corporation or (ii) interest-bearing time or demand deposits or certificates of deposit with any bank, trust company, national banking association or other savings institution (including the Bond Trustee or any affiliate thereof), provided such deposits and certificates are in or with a bank, trust company, national banking association or other savings institution whose (or whose parent's) long-term unsecured debt is rated in either of the two highest long term rating categories by Moody's or S&P, and provided further that with respect to (i) and (ii) any such obligations are held by, or are in the name of, the Bond Trustee or a bank, trust company or national banking association (other than the issuer of such obligations);

(F) Repurchase agreements ~~collateralized by securities described in subsections~~ to the extent that (i) the repurchase agreement must be between the Authority, or the Bond Trustee on its behalf, and a primary dealer listed on the Federal Reserve reporting dealer list, a bank, broker dealer or any other financial institution whose unsecured senior debt obligations are either rated or guaranteed by an entity rated, at the time of entry, "BBB+/Baa1" or better (without regard to any refinement or gradation of rating category by numerical modifier or otherwise) by at least one of S&P, Moody's, or Fitch; and (ii) the repurchase agreement must be in writing in the form of industry standard documentation or equivalent and include the following (1) the securities that are acceptable for transfer are of the type listed in (A), (B), (C) or (D) above, ~~with any financial institution that has an uninsured, unsecured and unguaranteed obligation rated, or is itself rated, in one of the three highest rating categories by Moody's or by S&P (including the Bond Trustee or any affiliate of the Bond Trustee), provided that (1) a specific written repurchase agreement governs the transaction, (2) the securities are held, free and clear of any lien, by the Bond Trustee or an independent~~ (2) the term of the repurchase agreement may not exceed the term of the Bonds, (3) the collateral must be delivered to the Authority, the Bond Trustee (if the Bond Trustee is not supplying the collateral) or a third party acting ~~solely~~ as agent for the Bond Trustee, and ~~such third party is (a) a Federal Reserve Bank, or (b) a bank which is a member of the Federal Deposit Insurance Corporation and which has combined capital, surplus and undivided profits of not less than $25,000,000, and the Bond Trustee shall have received written confirmation from such third party that it holds such securities, free and clear of any lien, as agent for the Bond Trustee, (3) a perfected first security interest under the Uniform Commercial Code of the State, or book entry procedures in such securities is created for the benefit of the Bond Trustee, (4) the repurchase agreement has a term of thirty days or less, or provides that the Bond Trustee or its agent will value the collateral securities no less frequently than monthly and the Bond Trustee will liquidate the collateral securities if any deficiency in the required collateral percentage is not restored within two Business Days of such valuation, and (5) the fair market value of the collateral securities in relation to the amount of the repurchase obligation, including principal and interest, is equal to at least 102%~~ (4) the securities must be valued no less than weekly, marked to market at current market price, of the amount of cash transferred by the Authority, or the Bond Trustee on its behalf, to the dealer, bank or financial institution under the repurchase agreement plus accrued interest. If the value of the collateral drops below the minimum defined percentage of the value of the cash transferred by the Authority, or the Bond Trustee on its behalf, then additional cash and/or acceptable securities must be transferred to adjust the minimum requirement. The value of the collateral, in the case securities of the type described in section

(A) above are pledged, must be equal to 102%, and in the case where securities of the type described in sections (B), (C), and (D) above are pledged, collateral must be equal to 103% or higher; to the extent the rating of the provider declines below BBB+ and Baa1, respectively, by S&P, Fitch and Moody's, the provider will be required to increase eligible collateral to 104% for collateral pledged in section (A) and 105% for collateral pledged in section (B), (C), and (D);

(G) Shares of a fixed income mutual fund, exchange traded fund or other collective investment fund registered under the federal Investment Company Act of 1940, whose shares are registered under the Securities Act of 1933, rated in one of the two highest long term rating categories by S&P or Moody's, including without limitation, any mutual fund for which the Bond Trustee or an affiliate of the Bond Trustee serves as investment manager, administrator, shareholder servicing agent, and/or custodian or subcustodian, notwithstanding that (a) the Bond Trustee or an affiliate of the Bond Trustee receives fees from such funds for services rendered, (b) the Bond Trustee charges and collects fees for services rendered pursuant to the Bond Indenture, which fees are, separate from the fees received from such funds, and (c) services performed for such funds and pursuant to the Bond Indenture may at times duplicate those provided to such funds by the Bond Trustee or its affiliates;

(H) Commercial paper rated in the highest rating category by Moody's or S&P;

(I) Investment agreements~~, including guaranteed investment contracts, that are obligations of an entity whose senior long-term debt obligations or claims paying ability are rated, or guaranteed by an entity whose obligations are rated (at the time the investment is entered into),~~ with (i) banks or non-bank financial institutions or vehicles or any or any related affiliate, subsidiary or guarantors thereof that at the time such agreement is executed whose unsecured long-term debt of such bank or non-bank financial institution is rated (or to the extent a related affiliate or subsidiary guarantor is rated) by at least one Rating Agency in one of the ~~two~~ four highest ~~long-term~~ rating categories ~~by~~ assigned by such Rating Agency (without regard to any refinement or gradation of rating category by numerical modifier or otherwise); or (ii) if the short-term debt of either the bank, non-banking financial institution, or any related affiliate or subsidiary guarantor is rated by any Rating Agency in the highest rating category (without regard to any refinement or gradation of the rating category by numerical modifier or otherwise) assigned to short-term indebtedness by such rating; provided that if at any time after purchase the provider of the investment agreement drops below the four highest rating categories assigned by such Rating Agency, the investment agreement must, within 30 days, either (1) be assigned to a provider whose debt is rated or the related affiliate or subsidiary guarantor is rated in one of the four highest rating categories, (2) be secured by the provider with collateral securities, including potentially via a repurchase agreement subject to the rating provisions set forth in section (F) hereof with such pledged collateral as described in the investment agreement, the fair market value of which, in relation to the amount of the remaining deposit in the investment agreement including principal and interest, is equal to at least 102% for collateral securities from section (A) hereof (the only type of eligible collateral securities to be pledged in a downgrade situation), or as otherwise described in the agreement, (3) be subject to a replacement guarantee of payment by an entity rated in one of the four highest rating categories assigned by such Rating Agency (without regard to any refinement or gradation of rating category by numerical modifier or otherwise), or (4) any other arrangement satisfactory to the parties. For purposes of this section (I), Rating Agency means Moody's, S&P or ~~Moody's~~ Fitch;

(J) Advance - Refunded Municipal Bonds rated in the highest rating category by Moody's or S&P Ratings Group;

(K) Obligations issued by any State of the United States of America or any political subdivision or instrumentality thereof that are rated in one of the three highest rating categories by Moody's or S&P; and

(L) Forward delivery agreements, forward supply contracts, or similar products that provide for the delivery of the securities listed in paragraphs (A), (B), (C), (D) or (H) above;

For the purpose of this definition, references to rating categories refers to such categories without regard to numerical or symbol modifiers (i.e. "AA+," "AA" and "AA-" constitute a single category).

The proposed amendment to the Original Indenture will take effect on the date that the Bond Trustee shall have received evidence, in the form required by Article IX of the Original Indenture, that the Holders of at least a majority in principal amount of Bonds Outstanding have consented thereto. As of April 1, 2025, the Holders of approximately 48% of the principal amount of Bonds Outstanding have consented to the proposed amendment. By their purchase of the Series 2025A Bonds, the Holders thereof shall be deemed to have consented to the terms of the proposed amendment and to have waived notice thereof, if any, required to be given pursuant to the Original Indenture. Upon issuance of the Series 2025A Bonds, a majority in principal amount of Bonds Outstanding will have consented to the proposed amendment and the amendment shall take effect.

THE AUTHORITY

General

The Authority was created and established by the Act as a public body corporate and politic and an instrumentality of the State. The purpose of the Authority, among others, is to assist Health Care Institutions, social service institutions and institutions for higher education in the undertaking of projects involving the acquisition, construction, improvement, reconstruction and equipping of health care, social service and educational facilities and the refinancing of existing indebtedness.

The Act provides that the Authority members shall be the State Superintendent of Financial Institutions, ex-officio, the Commissioner of DHHS, ex-officio, the Commissioner of the Department of Education, ex-officio, the Treasurer of the State, ex-officio, and eight other members appointed by the Governor of the State who are required to be residents of the State and not more than four of whom shall be members of the same political party. Three of the appointed members shall be trustees, directors, officers or employees of health care facilities, two shall be trustees, members of a corporation or board of governors, officers or employees of institutions for higher education and one shall be a person having a favorable reputation for skill, knowledge and experience in state and municipal finance, either as a partner, officer or employee of an investment banking firm which originates and purchases state and municipal securities or as an officer or employee of an insurance company or bank whose duties relate to the purchase of state and municipal securities as an investment and to the management and control of a state and municipal securities portfolio. The members of the Authority are entitled to be paid necessary expenses incurred while engaged in the performance of their duties. The Authority elects from its members a Chairman and a Vice Chairman and appoints an Executive Director who is not a member.

Authority Membership and Organization

The present members of the Authority and the dates their terms expire are set forth below:

Name	Term Expires[†]	Affiliation
Barbara Raths, Chair	01/29/30	CTP Executive Vice President, Commercial Banking, Cape Elizabeth, Maine
Kenneth Stafford Vice Chair	11/03/26	Certified Public Accountant, Stafford Advisors, Falmouth, Maine
Terry Brann, Jr.	11/03/25	Chief Financial Officer, MaineGeneral Health, Pittsfield, Maine
Lorelle Dwyer	11/03/28	President and CEO Penobscot Community Health Care, Bangor, Maine
Tracy E. Elliott	11/03/25	Vice President of Finance and Controller, The University of Maine System, Orono, Maine
Joseph Kellner	11/03/28	Chief Executive Officer, LifeFlight of Maine, Windham, Maine
Peter Merrill	02/27/30	Retired, Portland, Maine
Dorcas Riley	11/03/29	Certified Public Accountant and Financial Consultant, Mount Vernon, Maine
A. Pender Makin	Ex-Officio	Commissioner, Department of Education, State of Maine, Augusta, Maine
Sara Gagne-Holmes	Ex-Officio	Acting Commissioner, Department of Health and Human Services, State of Maine, Augusta, Maine
Lloyd P. LaFountain III	Ex-Officio	Superintendent of Financial Institutions, Bureau of Financial Institutions, State of Maine, Augusta, Maine
Joseph Perry	Ex-Officio	Treasurer of State, State of Maine, Augusta, Maine

[†]All members serve until the appointment and qualification of a successor. The State Treasurer, if not reelected, serves for a period of not less than 30 days after the end of his or her term and until qualification of a successor.

Teresea M. Hayes is Executive Director of the Authority and is responsible for the general management of the Authority's affairs.

Verrill Dana LLP, Portland, Maine, is serving as counsel to the Authority. Hawkins Delafield & Wood LLP, New York, New York, is serving as Bond Counsel to the Authority and will submit its approving opinion with regard to the legality of the Series 2025A Bonds substantially in the form attached hereto as Appendix D.

The Act provides that the Authority may employ such other consulting engineers, architects, attorneys, accountants, construction and financial experts, superintendents, managers and such other employees and agents as are necessary in its judgment.

Powers of the Authority

Under the Act, the Authority is authorized and empowered, among other things: to issue bonds and notes and to refund the same; to make loans to participating hospitals, nursing homes, licensed residential care facilities, licensed continuing care retirement communities, assisted living facilities, community mental health facilities, a licensed scene response air ambulance, community health centers and community health or social services facilities ("participating health care facilities") or institutions for higher education or eligible institutions providing an educational program to its members or the general public for the cost of projects; to refinance existing indebtedness incurred by participating health care facilities or institutions for higher education to finance facilities; to charge and collect rates, rents, fees and charges for the use of and for the services furnished by a project; to acquire, construct, reconstruct, renovate, improve, replace, maintain, repair, extend, enlarge, operate, lease as lessee or lessor and regulate any project financed under the Act; to enter into contracts for any and all such purposes, including contracts for the management and operation of a project, and to designate a participating health care facility or a participating institution for higher education as its agent in connection with a project; to mortgage any project and the site thereof; to acquire directly or through a participating health care facility or a participating institution for higher education, as its agent, by purchase or by gift or devise such lands, structures, property, real or personal, rights, rights of way, franchises and easements as the Authority deems necessary; to sue and be sued; to receive and accept grants from the federal government, the State, or any other public agency; and to do all things necessary or convenient to carry out the purposes of the Act.

Financing Programs of the Authority

Pursuant to its powers under the Act, the Authority has adopted five resolutions establishing separate financing programs with respect to which the Authority issues bonds and makes loans to participating institutions. The five resolutions are (1) the General Bond Resolution adopted June 5, 1973 (which for presentation purposes in the Authority's financial statements includes all transactions completed under separate bond indentures not secured by a common reserve fund), (2) the Reserve Fund Resolution adopted December 6, 1991, (3) the Medium Term Financing Reserve Fund Resolution adopted March 5, 1992, (4) the Taxable Finance Reserve Fund Resolution adopted December 15, 1992 (the "First Taxable Resolution") and (5) the Taxable Finance Reserve Fund Resolution adopted July 11, 2003 (the "Second Taxable Resolution"). Of the funds and accounts established under the Authority's various programs, only the Reserve Fund and the General Fund established pursuant to the Reserve Fund Resolution adopted December 6, 1991 are pledged to the security of the Bonds. Separate reserve funds and general funds have been established pursuant to the Medium Term Financing Reserve Fund Resolution, the First Taxable Resolution and the Second Taxable Resolution and such funds have been pledged to secure separate series of bonds designated as so secured. All series of Bonds, including the Prior Bonds, the Series 2025A Bonds and any Additional Bonds, secured by the Reserve Fund, are on a parity with respect to the Reserve Fund and the Bond Fund (which contains the Interest Account, Sinking Fund Account, Principal Account and Redemption Account), established pursuant to the bond indentures providing for the issuance of certain of the Prior Bonds and the Bond Indenture. The operating fund is maintained separate and apart from all other funds of the Authority, and can be used by the Authority for any of its lawful purposes, including the payment of debt service on the Authority's bonds in the event of a default by a participating institution.

Pursuant to the program financed under the Reserve Fund Resolution, the proceeds of the Bonds are loaned by the Authority to the Institutions. Each Institution enters into a loan agreement or a loan agreement and mortgage with the Authority (the "Loan Agreement" or "Loan Agreements"), pursuant to which the Authority loans a portion of the proceeds of the Bonds to each Institution and each Institution agrees to make payments sufficient to repay its loan and make certain other payments. The Loan Agreements constitute several, and not joint, obligations of the Institutions. See Appendix C – "Certain Provisions of Principal Documents – Certain Provisions of the Agreements."

The proceeds of the Bonds, together with other available funds, are used to (i) finance and refinance the costs of the acquisition, construction, equipping and installation by the Institutions of healthcare, educational, community health, social service or mental health facilities, including capitalized interest; (ii) fund the amount necessary so that the Reserve Fund is at the Reserve Fund Requirement as of the date of issuance of a series of Bonds; (iii) pay the premium for any bond insurance policy or policies issued in connection with a series of Bonds; and (iv) pay the costs of issuance of the series of Bonds. See Appendix A for a list of the Institutions and the outstanding balances of their respective loans.

For a further description of the Authority's financing programs, its operating fund and the resolutions with respect to which its bonds have been issued, see Appendix B – "Financial Statements of the Authority."

Outstanding Indebtedness of the Authority

Following is a table setting forth each series of the Prior Bonds, the principal amounts thereof originally issued and the principal amounts thereof outstanding under the Reserve Fund Resolution as of June 30, 2024:

	Principal Amounts Issued	Principal Amounts Outstanding as of June 30, 2024
Revenue Bonds, Series 2010B, dated April 22, 2010	$ 96,755,000	$ 1,505,000
Revenue Bonds, Series 2011A, dated August 31, 2011	36,535,000	1,180,000
Revenue Bonds, Series 2013A, dated May 23, 2013	64,030,000	21,580,000
Revenue Bonds, Series 2014A, dated July 24, 2014	43,185,000	5,570,000
Revenue Bonds, Series 2015A, dated July 30, 2015	27,395,000	3,405,000
Revenue Bonds, Series 2016A, dated June 28, 2016	64,840,000	24,600,000
Revenue Bonds, Series 2017A, dated June 27, 2017	39,000,000	20,410,000
Revenue Bonds, Series 2017B, dated December 28, 2017	43,630,000	28,780,000
Revenue Bonds, Series 2019A, dated July 31, 2019	54,640,000	45,805,000
Revenue Bonds, Series 2019B, dated November 6, 2019	36,415,000	32,625,000
Revenue Bonds, Series 2019C, dated April 3, 2020	42,350,000	32,540,000
Revenue Bonds, Series 2020A, dated June 10, 2020	21,665,000	9,510,000
Revenue Bonds, Series 2020B, dated November 10, 2020	13,105,000	11,810,000
Revenue Bonds, Series 2021A, dated May 19, 2021	86,065,000	80,175,000
Revenue Bonds, Series 2021B, dated May 19, 2021	156,870,000	147,935,000
Revenue Bonds, Series 2021C, dated December 2, 2021	20,435,000	18,670,000
Revenue Bonds, Series 2022A, dated June 2, 2022	48,310,000	47,695,000
Revenue Bonds, Series 2022B, dated June 2, 2022	1,395,000	1,290,000
Revenue Bonds, Series 2022C, dated November 15, 2022	85,585,000	84,720,000
Revenue Bonds, Series 2023A, dated July 25, 2023	68,415,000	68,415,000
Revenue Bonds, Series 2023B, dated December 5, 2023	122,420,000	122,420,000
Totals	**$1,173,040,000**	**$810,640,000**

Subsequent to June 30, 2024, the Authority issued $86,405,000 of its Revenue Bonds, Series 2024A, dated September 10, 2024. Pursuant to the following bond resolutions of the Authority, the following principal amounts of bonds were outstanding as of June 30, 2024:

(1) General Resolution: $1,179,571,613;

(2) Reserve Fund Resolution: $810,640,000;

(3) Medium Term Financing Reserve Fund Resolution: $0;

(4) First Taxable Resolution: $0; and

(5) Second Taxable Resolution: $0.

For a further description of outstanding indebtedness of the Authority, see Appendix B – "Financial Statements of the Authority."

The Authority may issue other series of bonds or notes for the purpose of financing projects for participating Health Care Institutions and institutions of higher education and financing student loan programs. Each such series of bonds or notes will be issued pursuant to a resolution or bond indenture separate and apart from the Bond Resolution and the Supplemental Indenture authorizing the Series 2025A Bonds and will be secured by instruments separate and apart from the instruments securing the Series 2025A Bonds; provided, however, that such series of bonds or notes could be issued as Additional Bonds pursuant to and secured by the Original Indenture, and provided further, however, that such series of bonds or notes could be secured by the Reserve Fund Resolution. It is the Authority's current intention to continue to issue series of Bonds from time to time, on a tax-exempt basis for eligible 501(c)(3) institutions within Maine, to the extent of the institutions' needs therefor and subject to then-existing market conditions, as Additional Bonds under the Original Indenture, on a parity with the Prior Bonds and the Series 2025A Bonds. See "SECURITY FOR THE SERIES 2025A BONDS – Additional Indebtedness" and "Reserve Fund."

Certain Legislation Affecting the Authority

In 1995, the Legislature of the State passed the State Government Evaluation Act (the "Evaluation Act"), Maine Revised Statutes Annotated, Title 3, Chapter 35, Sections 951 through 963. The stated purpose of the Evaluation Act is to establish a system for periodic review of agencies and independent agencies of state government and requires the Legislature to evaluate their efficacy and performance. The Evaluation Act provides that the legislative committee with jurisdiction may conduct an analysis and evaluation of the Authority either in accordance with the scheduling guidelines or as necessary. Based on such review and analysis, such committee may recommend termination of an agency to the Legislature. The Authority was reviewed favorably by the Legislature's Joint Standing Committee on Education and Cultural Affairs in its report submitted January 30, 2020.

THE SERIES 2025A BONDS

General Description

The Series 2025A Bonds will bear interest from their dated date at the stated rates, and will mature, subject to the right of redemption described below, in the amounts and on the dates set forth on the inside cover page of this Official Statement. The Series 2025A Bonds shall be dated their date of delivery. The Series 2025A Bonds are issuable only as fully registered bonds in the denominations of $5,000 or any multiple thereof, as provided in the Bond Indenture. Interest will be computed on the basis of a 360-day

year of twelve thirty-day months. Interest on the Series 2025A Bonds is payable commencing on January 1, 2026, and semiannually thereafter on each January 1 and July 1, until maturity or prior redemption.

Book-Entry Only System

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Series 2025A Bonds. The Series 2025A 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 Series 2025A Bond certificate will be issued for each maturity of each series of the Series 2025A Bonds in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, 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 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 the Series 2025A Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2025A Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2025A 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 2025A 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 Series 2025A Bonds, except in the event that use of the book-entry system for the Series 2025A Bonds is discontinued.

To facilitate subsequent transfers, all Series 2025A 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 2025A Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2025A Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2025A 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 the Series 2025A Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2025A Bonds, such as redemptions, tenders, defaults, and proposed amendments to the security documents. For example, Beneficial Owners of the Series 2025A Bonds may wish to ascertain that the nominee holding the Series 2025A 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 2025A Bonds within a single maturity of a series are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to the Series 2025A 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 2025A Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal (including sinking fund installments, if any), redemption premium, if any, and interest payments on the Series 2025A 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 Paying Agent 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, the Paying Agent, the Institutions, 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 and interest 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 Paying Agent, 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 2025A 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 2025A 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 2025A 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 sources that the Authority believes to be reliable, but none of the Authority, the Institutions or the Underwriter takes any responsibility for the accuracy thereof.

NEITHER THE BOND TRUSTEE NOR THE AUTHORITY SHALL HAVE ANY RESPONSIBILITY OR OBLIGATION TO ANY PARTICIPANT, ANY PERSON CLAIMING A BENEFICIAL OWNERSHIP INTEREST IN THE SERIES 2025A BONDS UNDER OR THROUGH

DTC OR ANY PARTICIPANT, OR ANY OTHER PERSON WHO IS NOT SHOWN IN THE REGISTRATION BOOKS OF THE BOND TRUSTEE AS BEING A BONDHOLDER, WITH RESPECT TO: THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY PARTICIPANT; THE PAYMENT BY DTC OR ANY PARTICIPANT OF ANY AMOUNT IN RESPECT OF THE PRINCIPAL OF OR REDEMPTION PRICE, IF ANY, OR INTEREST ON THE SERIES 2025A BONDS; ANY NOTICE WHICH IS PERMITTED OR REQUIRED TO BE GIVEN TO BONDHOLDERS UNDER THE BOND INDENTURE; THE SELECTION BY DTC OR ANY PARTICIPANT OF ANY PERSON TO RECEIVE PAYMENT IN THE EVENT OF A PARTIAL REDEMPTION OF THE SERIES 2025A BONDS; OR ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS BONDHOLDER.

In the event that the book-entry only system is discontinued, principal and redemption price will be payable upon surrender of the Series 2025A Bonds at the corporate trust office of the Paying Agent and interest will be payable on each Interest Payment Date, by check or draft mailed or, at the option of the Holder of at least $500,000 aggregate principal amount of Series 2025A Bonds, by wire transfer, to the Bondholders as of the close of business on the Record Date.

If the book-entry only system is discontinued and Series 2025A Bond certificates have been delivered as described in the Bond Indenture, the Beneficial Owner, upon registration of certificates held in the Beneficial Owner's name, will become the Bondholder. Thereafter, Series 2025A Bonds may be exchanged for an equal aggregate principal amount of Series 2025A Bonds in other authorized denominations and of the same maturity, upon surrender thereof at the principal corporate trust office of the Bond Trustee, as Registrar. The transfer of any Series 2025A Bond may be registered on the books maintained by the Bond Trustee, as Registrar, for such purpose only upon the surrender thereof to the Bond Trustee with a duly executed assignment in form satisfactory to the Bond Trustee. For every exchange or registration of transfer of Series 2025A Bonds, the Bond Trustee, as Registrar, may make a charge sufficient to reimburse it for any tax or other governmental charge required to be paid with respect to such exchange or registration of transfer, but no other charge may be made to the Bondholder for any exchange or registration of transfer of the Series 2025A Bonds. The Bond Trustee will not be required to register the transfer of or exchange any Series 2025A Bond during the period from the Record Date to the Bond Payment Date or if such Series 2025A Bond (or any part thereof) has been or is being called for redemption.

Redemption

Optional Redemption. The Series 2025A Bonds maturing after July 1, 2035 are subject to redemption prior to maturity, at the option of the Authority, on and after July 1, 2035 in whole or in part at any time by payment of a Redemption Price equal to the principal amount of such Series 2025A Bond called for redemption plus accrued interest to the date fixed for redemption without premium.

Mandatory Redemption. The Series 2025A Bonds maturing July 1, 2050 and July 1, 2055 are subject to mandatory sinking fund redemption prior to maturity at a Redemption Price equal to the principal amount of such Series 2025A Bonds to be redeemed plus accrued interest, if any, thereon to the Redemption Date, without premium, on each July 1 of the years listed below and in the following amounts:

$11,050,000 Term Bonds due July 1, 2050

Year	Principal Amount
2046	$2,000,000
2047	2,095,000
2048	2,210,000
2049	2,310,000
2050†	2,435,000

† Maturity

$14,165,000 Term Bonds due July 1, 2055

Year	Principal Amount
2051	$2,550,000
2052	2,680,000
2053	2,830,000
2054	2,975,000
2055†	3,130,000

† Maturity

Extraordinary Optional Redemption. The Series 2025A Bonds are also subject to redemption prior to maturity at the option of the Authority, in whole at any time or in part on any Bond Payment Date, by payment of a Redemption Price equal to the principal amount of such Series 2025A Bonds to be redeemed plus accrued interest thereon to the date fixed for redemption, without premium, from insurance proceeds received with respect to casualty losses, or condemnation awards, relating to any Facility of any Series 2025A Institution, under certain circumstances provided under the Bond Indenture.

Selection of Series 2025A Bonds to be Redeemed. In the event of any redemption of less than all Outstanding Series 2025A Bonds, any maturity or maturities and amounts within maturities of a series of such Series 2025A Bonds to be redeemed shall be selected by the Bond Trustee at the direction of the Authority. If less than all of the Series 2025A Bonds of the same maturity of a series are to be redeemed, the Bond Trustee shall select the Series 2025A Bonds to be redeemed by lot in such manner as the Bond Trustee may determine, provided that, for so long as the book-entry only system is in effect, the particular Series 2025A Bonds or portions thereof to be redeemed within a maturity shall be selected by DTC in such a manner as DTC may determine. In making such selection, the Bond Trustee (or DTC) shall treat each Series 2025A Bond as representing that number of Series 2025A Bonds of the lowest authorized denomination ($5,000) as is obtained by dividing the principal amount of such Series 2025A Bond by such denomination.

Partial Redemption of Series 2025A Bonds. Upon the selection and call for redemption of, and the surrender of, any Series 2025A Bond for redemption in part only, the Authority shall cause to be executed and the Bond Trustee shall authenticate and deliver to or upon the written order of the Holder thereof, at the expense of the appropriate Series 2025A Institution or Institutions, as determined by the Authority, a new Series 2025A Bond or Series 2025A Bonds of authorized denominations in an aggregate face amount equal to the unredeemed portion of the Series 2025A Bond or Series 2025A Bonds surrendered, which new Series 2025A Bond or Series 2025A Bonds shall be a fully registered Series 2025A Bond or Series 2025A Bonds without coupons, in authorized denominations.

Effect of Call for Redemption. On the date designated for redemption by notice given as provided in the Bond Indenture, the Series 2025A Bonds so called for redemption shall become and be due and

payable at the Redemption Price provided for redemption of such Series 2025A Bonds on such date. If on the date fixed for redemption moneys for payment of the Redemption Price and accrued interest are held by the Bond Trustee or paying agents as provided in the Bond Indenture, interest on such Series 2025A Bonds so called for redemption shall cease to accrue, such Series 2025A Bonds shall cease to be entitled to any benefit or security under the Bond Indenture except the right to receive payment from the moneys held by the Bond Trustee or the paying agents and the amount of such Series 2025A Bonds so called for redemption shall be deemed paid and no longer Outstanding.

Notice of Redemption. Not less than thirty (30) nor more than forty-five (45) days prior to the date set for redemption of any Series 2025A Bonds, the Bond Trustee will send notice by mail to all registered Holders of Series 2025A Bonds to be redeemed. Such redemption notice will set forth the details of such redemption. Failure to so mail such notice or any defect in such notice shall not affect the validity of any proceedings for the redemption of any Series 2025A Bonds with respect to which notice was so mailed or with respect to which no such defect occurred. Any failure on the part of DTC or failure on the part of a nominee of a Beneficial Owner (having received notice from a DTC Participant or otherwise) to notify the Beneficial Owner so affected shall not affect the validity of the redemption. If on the date of mailing of the notice of redemption, the Bond Trustee shall not have received the funds to pay the redemption price for any Series 2025A Bonds called for redemption, such notice shall state that it is conditional and that the redemption of such Series 2025A Bonds is subject to receipt by the Bond Trustee on or prior to the redemption date of funds sufficient to pay the redemption price of such Series 2025A Bonds.

Purchase in Lieu of Redemption. Any Series 2025A Bonds called for optional redemption pursuant to the Bond Indenture, at the option of the Authority with the consent of the Series 2025A Institutions or by the direction of such Series 2025A Institutions may, in lieu of redemption, be purchased by such Series 2025A Institutions or by a Person designated by such Series 2025A Institutions on the redemption date at a price equal to the principal amount thereof plus interest accrued to the redemption date, and if so purchased, shall continue to be Outstanding under the Bond Indenture for all purposes and shall continue to be subject to optional redemption as provided in the Bond Indenture. Prior to exercising the purchase option described in this paragraph, the Authority shall receive the prior written consent of the Bond Insurer.

Acceleration

If a Bond Indenture Event of Default occurs, including a Bond Indenture Event of Default resulting from a payment default on the part of an Institution under a Loan Agreement, the principal of the Series 2025A Bonds (or, in the case of a payment default by an Institution under a Loan Agreement, at the discretion of the Authority, a portion thereof allocable to a defaulting Institution) may be accelerated and become immediately due and payable, at par, with interest payable thereon to the accelerated payment date. For a description of the Bond Indenture Events of Default, see Appendix C – "Certain Provisions of Principal Documents – Certain Provisions of the Original Indenture – Defaults and Remedies" and "Certain Provisions of the Supplemental Indenture – Default and Remedies." Under the Bond Indenture, no Series 2025A Bonds may be accelerated without the prior consent of the Bond Insurer, so long as the Bond Insurer is not in default on its payment obligations under the Policy.

Transfer and Exchange

Except while the book-entry only system is in effect as described above, Series 2025A Bonds may be exchanged upon presentation and surrender thereof to the Registrar for an equal aggregate principal amount of Series 2025A Bonds with the same interest rate, series and maturity. See "THE SERIES 2025A BONDS – Book-Entry Only System."

Debt Service Requirements

Principal and interest requirements on the Series 2025A Bonds are shown below:

Period Ending July 1	Principal	Interest	Total*
2025	--	--	--
2026	$1,250,000	$4,446,165	$5,696,165
2027	1,805,000	3,879,913	5,684,913
2028	1,900,000	3,789,663	5,689,663
2029	1,990,000	3,694,663	5,684,663
2030	2,095,000	3,595,163	5,690,163
2031	2,195,000	3,490,413	5,685,413
2032	2,310,000	3,380,663	5,690,663
2033	2,420,000	3,265,163	5,685,163
2034	2,545,000	3,144,163	5,689,163
2035	2,675,000	3,016,913	5,691,913
2036	2,800,000	2,883,163	5,683,163
2037	2,940,000	2,743,163	5,683,163
2038	3,095,000	2,596,163	5,691,163
2039	3,245,000	2,441,413	5,686,413
2040	3,410,000	2,279,163	5,689,163
2041	2,945,000	2,108,663	5,053,663
2042	3,090,000	1,961,413	5,051,413
2043	3,235,000	1,806,913	5,041,913
2044	3,405,000	1,645,163	5,050,163
2045	3,575,000	1,474,913	5,049,913
2046	2,000,000	1,296,163	3,296,163
2047	2,095,000	1,196,163	3,291,163
2048	2,210,000	1,091,413	3,301,413
2049	2,310,000	980,913	3,290,913
2050	2,435,000	865,413	3,300,413
2051	2,550,000	743,663	3,293,663
2052	2,680,000	609,788	3,289,788
2053	2,830,000	469,088	3,299,088
2054	2,975,000	320,513	3,295,513
2055	3,130,000	164,325	3,294,325
Total*	$78,140,000	$65,380,440	$143,520,440

*Totals may not add due to rounding.

SECURITY FOR THE SERIES 2025A BONDS

General

The Bonds, including the Series 2025A Bonds, constitute special obligations of the Authority payable solely from, and secured by a pledge of, the revenues of the Authority received from or on account of the Institutions, including the Series 2025A Institutions, which have borrowed or will borrow proceeds of the Bonds, including the Series 2025A Bonds, and amounts on deposit from time to time in the funds and accounts established under the Original Indenture (except the Rebate Fund), including the earnings thereon, subject to the application thereof for the purposes and on the terms and conditions set forth in the Bond Indenture. The Series 2025A Bonds will be secured on a parity with the Prior Bonds and any Additional Bonds. In addition, the Bonds, including the Series 2025A Bonds, are secured by a pledge of the funds held in the Reserve Fund and General Fund, subject to the application thereof for the purposes of and in accordance with the provisions of the Reserve Fund Resolution. See "RESERVE FUND" and "GENERAL FUND" herein.

In addition, payment of the principal of and interest on the Series 2025A Bonds at their stated payment dates will be insured by the Policy issued by the Bond Insurer. See "BOND INSURANCE."

Bond Indenture

The Series 2025A Bonds will be issued by the Authority pursuant to the Bond Indenture. The Bond Indenture constitutes a contract among the Authority, the Bond Trustee and the Holders of the Bonds and the pledges and covenants made therein are for the equal and ratable benefit and security of the Holders of the Bonds regardless of the time of issue or maturity of any of the Bonds. The Bond Indenture provides that the Series 2025A Bonds shall be special obligations of the Authority, payable solely from and secured solely by the payments made by the Series 2025A Institutions under the Series 2025A Loan Agreements (together with any payments under Loan Agreements by Institutions who have borrowed proceeds of Prior Bonds and any additional Institutions who borrow proceeds of Additional Bonds), and the funds available in the Bond Fund established under the Bond Indenture, as well as funds available therefor pursuant to the Reserve Fund Resolution. As security for its obligations under the Bond Indenture with respect to the Bonds, including the Series 2025A Bonds, the Authority has pledged to the Bond Trustee the payments of the Institutions, including the Series 2025A Institutions, received or receivable by the Authority pursuant to the Loan Agreements, all funds held by the Bond Trustee under the Bond Indenture (except the Rebate Fund) and all income derived from the investment of such funds, and will assign to the Bond Trustee all such pledged funds, all of the Authority's right, title and interest in the Loan Agreements (except the right of the Authority to grant approvals, consents or waivers, to receive notices, or for indemnification or reimbursement of costs and expenses) and the Notes, including the Series 2025A Notes. As further security for its obligations under the Bond Indenture, the Authority will pledge to the Bond Trustee the amounts on deposit from time to time in the Reserve Fund and the General Fund created pursuant to the Reserve Fund Resolution, subject to the provisions of the Reserve Fund Resolution permitting the application thereof for the purpose and on the terms and conditions set forth therein, and the rights of the Reserve Fund Trustee and the parity rights of the holders of all Bonds secured by the Reserve Fund, including the Prior Bonds and the Series 2025A Bonds.

The Bond Indenture provides that the security interest granted by the Authority to the Bond Trustee therein is for the equal and proportionate benefit and security of the Holders from time to time of the Bonds issued, authenticated, delivered and outstanding under the Bond Indenture, including the Prior Bonds, the Series 2025A Bonds and any Additional Bonds, without preference, priority or distinction as to lien or otherwise of any Bonds over any other Bonds to the end that each Holder of any Bonds has the same rights, privileges and lien under and by virtue of the Bond Indenture.

Loan Agreements

The Loan Agreements are the individual full faith and credit general obligations of the Institutions, including the Series 2025A Institutions, by which they are required to make monthly or other periodic proportionate payments to the Authority which, in the aggregate, together with available funds in the Reserve Fund and General Fund established under the Reserve Fund Resolution, will meet all debt service payments on the Bonds, including the Series 2025A Bonds. The Loan Agreements will constitute several, and not joint, obligations of the Institutions, including the Series 2025A Institutions. Each Institution's Loan Agreement, including each Series 2025A Institution's Loan Agreement, is to remain in full force and effect until all Bonds allocable to such Institution's loan have been fully paid or otherwise discharged. Simultaneously with the issuance of the Series 2025A Bonds and in consideration of the Authority's loan to the Series 2025A Institutions of certain of the proceeds of the Series 2025A Bonds under the Series 2025A Loan Agreements, each of the Series 2025A Institutions will issue its Series 2025A Note to the Authority. The Notes, including the Series 2025A Notes, have been pledged and assigned by the Authority to the Bond Trustee to be held for the benefit of the Holders of the Bonds. The Series 2025A Notes will have terms and conditions to provide payments thereon sufficient in the aggregate, together with funds available therefor pursuant to the Reserve Fund Resolution, to pay all amounts to become due on the Series 2025A Bonds. The Series 2025A Notes will be secured by mortgages on the Facilities of the Series 2025A Institutions, security interests in the Equipment of the Series 2025A Institutions and security interests in the Gross Receipts of the Series 2025A Institutions. The liens granted under the Loan Agreements may be on a parity with or subordinate to certain existing liens securing other indebtedness of the Series 2025A Institutions.

Security Interest in Gross Receipts

As security for its obligation to make its Series 2025A Note payments, each Series 2025A Institution, pursuant to its respective Series 2025A Loan Agreement, will grant to the Authority a security interest in its Gross Receipts. The existence of such security interest shall not prevent the expenditure, deposit or commingling of Gross Receipts by such Institutions so long as no Agreement Event of Default exists and all required Series 2025A Note payments of such Series 2025A Institutions are made when due. If an Agreement Event of Default exists and any required Series 2025A Note payment is not made when due, any Gross Receipts subject to this security interest that are then on hand and any such Gross Receipts thereafter received, shall not be commingled or deposited but shall immediately, or upon receipt, be transferred to the Bond Trustee for deposit into the Bond Fund to the extent needed to make the amount on deposit in the Bond Fund at least equal to the requirements of the Bond Fund. The Series 2025A Institutions may grant parity security interests in Gross Receipts or in their Facilities or Equipment (as applicable) to secure Additional Indebtedness incurred in the future, subject to certain conditions set forth in the Series 2025A Loan Agreements. See "Additional Indebtedness" below. See also Appendix C – "Certain Provisions of Principal Documents – Certain Provisions of the Agreements – Issuance of Series 2025A Bonds and Series 2025A Notes – Security for Bonds."

The foregoing security interests in Gross Receipts are subject to and may be limited by the laws of the United States and the State with respect to bankruptcy, insolvency and creditors' rights generally. For example, all or substantially all Gross Receipts received by a Series 2025A Institution after the commencement of a bankruptcy proceeding in which it is the debtor may not be subject to the foregoing security interest, and the same may be true with respect to Gross Receipts received within 90 days prior to the commencement of such a proceeding. In addition, it may not be possible to perfect a security interest in any manner whatsoever in certain types of Gross Receipts (such as gifts, donations or insurance proceeds) prior to actual receipt by a Series 2025A Institution.

The effectiveness of the security interests in Gross Receipts granted pursuant to the Series 2025A Loan Agreement of the applicable Series 2025A Institution may also be limited by a number of factors, to

the extent applicable, including: (i) statutory liens; (ii) rights arising in favor of the United States of America or any agency thereof; (iii) constructive trusts, equitable or other rights impressed or conferred by a federal or state court in the exercise of its equitable jurisdiction; and (iv) claims that might arise if appropriate financing or continuation statements are not filed in accordance with the Maine Uniform Commercial Code as from time to time in effect.

Additional Indebtedness

The Authority may issue Additional Bonds on a parity with the Series 2025A Bonds under certain conditions provided in the Bond Indenture. See Appendix C – "Certain Provisions of the Original Indenture – Authorization and Terms of Bonds – Additional Bonds." Under the Loan Agreements, the Institutions may also incur Additional Indebtedness, as defined in the Loan Agreements, including Additional Indebtedness secured by a parity lien on, and security interest in, the Property or Facility of an Institution (including its Gross Receipts), subject to certain conditions and limitations set forth in the Loan Agreements.

BOND INSURANCE

The information set forth below has been furnished by the Bond Insurer for use in this Official Statement. No representation is made by the Authority, the Series 2025A Institutions or the Underwriter as to the accuracy, completeness or adequacy of such information or as to the absence of material adverse changes in the condition of the Bond Insurer subsequent to the date hereof. Reference is made to Appendix E for a specimen of the Bond Insurer's Policy.

Bond Insurance Policy

Concurrently with the issuance of the Series 2025A Bonds, Assured Guaranty Inc. ("AG") will issue its Municipal Bond Insurance Policy (the "Policy") for the Series 2025A Bonds. The Policy guarantees the scheduled payment of principal of and interest on the Series 2025A Bonds when due as set forth in the form of the Policy included as an appendix to this Official Statement.

The Policy is not covered by any insurance security or guaranty fund established under New York, Maryland, California, Connecticut or Florida insurance law.

Assured Guaranty Inc.

AG is a Maryland domiciled financial guaranty insurance company and an indirect subsidiary of Assured Guaranty Ltd. ("AGL" and together with its subsidiaries, "Assured Guaranty"), a Bermuda-based holding company whose shares are publicly traded and are listed on the New York Stock Exchange under the symbol "AGO." AGL, through its subsidiaries, provides credit enhancement products to the U.S. and non-U.S. public finance (including infrastructure) and structured finance markets and participates in the asset management business through ownership interests in Sound Point Capital Management, LP and certain of its investment management affiliates. Only AG is obligated to pay claims under the insurance policies AG has issued, and not AGL or any of its shareholders or other affiliates.

AG's financial strength is rated "AA" (stable outlook) by S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P"), "AA+" (stable outlook) by Kroll Bond Rating Agency, Inc. ("KBRA") and "A1" (stable outlook) by Moody's Investors Service, Inc. ("Moody's"). Each rating of AG should be evaluated independently. An explanation of the significance of the above ratings may be obtained from the applicable rating agency. The above ratings are not recommendations to buy, sell or hold any security, and such ratings are subject to revision or withdrawal at any time by the rating agencies,

including withdrawal initiated at the request of AG in its sole discretion. In addition, the rating agencies may at any time change AG's long-term rating outlooks or place such ratings on a watch list for possible downgrade in the near term. Any downward revision or withdrawal of any of the above ratings, the assignment of a negative outlook to such ratings or the placement of such ratings on a negative watch list may have an adverse effect on the market price of any security guaranteed by AG. AG only guarantees scheduled principal and scheduled interest payments payable by the issuer of bonds insured by AG 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 relevant insurance policy), and does not guarantee the market price or liquidity of the securities it insures, nor does it guarantee that the ratings on such securities will not be revised or withdrawn.

Merger of Assured Guaranty Municipal Corp. Into Assured Guaranty Inc.

On August 1, 2024, Assured Guaranty Municipal Corp., a New York domiciled financial guaranty insurance company and an affiliate of AG ("AGM"), merged with and into AG, with AG as the surviving company (such transaction, the "Merger"). Upon the Merger, all liabilities of AGM, including insurance policies issued or assumed by AGM, became obligations of AG.

Current Financial Strength Ratings

On October 18, 2024, KBRA announced it had affirmed AG's insurance financial strength rating of "AA+" (stable outlook).

On July 10, 2024, Moody's, following Assured Guaranty's announcement of the Merger, announced that it had affirmed AG's insurance financial strength rating of "A1" (stable outlook).

On May 28, 2024, S&P announced it had affirmed AG's financial strength rating of "AA" (stable outlook). On August 1, 2024, S&P stated that following the Merger, there is no change in AG's financial strength rating of "AA" (stable outlook).

AG can give no assurance as to any further ratings action that S&P, Moody's and/or KBRA may take. For more information regarding AG's financial strength ratings and the risks relating thereto, see AGL's Annual Report on Form 10-K for the fiscal year ended December 31, 2024.

Capitalization of AG

At December 31, 2024:

- The policyholders' surplus of AG was approximately $3,524 million.
- The contingency reserve of AG was approximately $1,392 million.
- The net unearned premium reserves and net deferred ceding commission income of AG and its subsidiaries (as described below) were approximately $2,424 million. Such amount includes (i) 100% of the net unearned premium reserve and net deferred ceding commission income of AG and (ii) the net unearned premium reserves and net deferred ceding commissions of AG's wholly owned subsidiary Assured Guaranty UK Limited ("AGUK"), and its 99.9999% owned subsidiary Assured Guaranty (Europe) SA ("AGE").

The policyholders' surplus, contingency reserve, and net unearned premium reserves and net deferred ceding commission income of AG were determined in accordance with statutory accounting principles. The

net unearned premium reserves and net deferred ceding commissions of AGUK and AGE were determined in accordance with accounting principles generally accepted in the United States of America.

Incorporation of Certain Documents by Reference

Portions of AGL's Annual Report on Form 10-K for the fiscal year ended December 31, 2024 filed with the Securities and Exchange Commission (the "SEC") on February 28, 2025 that relate to AG are incorporated by reference into this Official Statement and shall be deemed to be a part hereof.

All information relating to AG included in, or as exhibits to, documents filed by AGL with the SEC pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, excluding Current Reports or portions thereof "furnished" under Item 2.02 or Item 7.01 of Form 8-K, after the filing of the last document referred to above and before the termination of the offering of the Series 2025A Bonds shall be deemed incorporated by reference into this Official Statement and to be a part hereof from the respective dates of filing such documents. Copies of materials incorporated by reference are available over the internet at the SEC's website at http://www.sec.gov, at AGL's website at http://www.assuredguaranty.com, or will be provided upon request to Assured Guaranty Inc.: 1633 Broadway, New York, New York 10019, Attention: Communications Department (telephone (212) 974-0100). Except for the information referred to above, no information available on or through AGL's website shall be deemed to be part of or incorporated in this Official Statement.

Any information regarding AG included herein under the caption "BOND INSURANCE – Assured Guaranty Inc." or included in a document incorporated by reference herein (collectively, the "AG Information") shall be modified or superseded to the extent that any subsequently included AG Information (either directly or through incorporation by reference) modifies or supersedes such previously included AG Information. Any AG Information so modified or superseded shall not constitute a part of this Official Statement, except as so modified or superseded.

Miscellaneous Matters

AG makes no representation regarding the Series 2025A Bonds or the advisability of investing in the Series 2025A Bonds. In addition, AG 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 AG supplied by AG and presented under the heading "BOND INSURANCE."

RESERVE FUND

General

The Reserve Fund Trustee has established and holds the Reserve Fund. Pursuant to the Act, deposited into the Reserve Fund will be: (i) all money appropriated by the State for the purpose of the Reserve Fund; (ii) all proceeds of Bonds that may be required to be deposited in the Reserve Fund pursuant to the terms and conditions of any bond indenture or bond resolution pursuant to which such Bonds are issued; (iii) any other money or funds of the Authority that the Authority determines to deposit in the Reserve Fund; and (iv) any other money made available to the Authority for the purpose of the Reserve Fund from any other source or sources. The Reserve Fund is established to service the payment of the principal of and interest on all Bonds issued by the Authority and secured thereby pursuant to the terms of the bond indenture or bond resolution providing for the issuance of such Bonds. The Reserve Fund was initially funded from proceeds of the Series 1991 Bonds and other available moneys in an amount at least

equal to the greatest amount of debt service required to be paid in any calendar year with respect to the Series 1991 Bonds. The Reserve Fund was subsequently funded from proceeds of each series of the Prior Bonds issued subsequent to the Series 1991 Bonds and other available moneys in amounts which, together with amounts already in the Reserve Fund, equaled the Reserve Fund Requirement after giving effect to the issuance of the Prior Bonds. The Reserve Fund Requirement, as defined in the Reserve Fund Resolution, equals the greatest amount required to be paid in any calendar year with respect to all Bonds secured thereby. The Reserve Fund Resolution provides that the Authority may from time to time designate other Bonds of the Authority as secured by the Reserve Fund in accordance with the Reserve Fund Resolution. Such designation may be made in the bond resolution or bond indenture delivered in connection with such series of Bonds. Upon the issuance of the Series 2025A Bonds, there will be on deposit with the Reserve Fund Trustee an amount that will equal the Reserve Fund Requirement after giving effect to the issuance of the Series 2025A Bonds.

Whenever moneys in a bond fund established with respect to a series of Bonds are insufficient to pay principal of or interest on such Bonds when due, the bond trustee for such Bonds shall notify the Authority and the Authority shall promptly notify the Reserve Fund Trustee and direct the Reserve Fund Trustee to transfer money from the Reserve Fund to the bond trustee in the amount of the deficiency. Each loan agreement with an Institution, including the Series 2025A Loan Agreements with the Series 2025A Institutions, provides that any deficiency in the Reserve Fund resulting from a failure on the part of the Institution to make timely debt service payments under its loan agreement, including any lost investment earnings resulting from a transfer from the Reserve Fund on behalf of such defaulting Institution, shall be made up by such Institution in six substantially equal monthly installments. In addition, under the Loan Agreements the Institutions are required to make up (i) any deficiency in the Reserve Fund resulting from a decline in market value of the investments in the Reserve Fund within three months of any determination by the Reserve Fund Trustee that the Reserve Fund Value is below the Reserve Fund Requirement and (ii) any amounts by which the earnings from the investments held or on deposit in the Reserve Fund are less than the debt service payments and related expenses allocable to that portion of the Bond proceeds which were deposited in the Reserve Fund, in monthly installments.

State Appropriation

The Act provides that in order to assure the maintenance of the Reserve Fund Requirement, there shall be annually appropriated and paid to the Authority for deposit in the Reserve Fund, such sum, if any, as shall be certified by the Executive Director of the Authority to the Governor of the State, as necessary to restore the Reserve Fund to an amount equal to the Reserve Fund Requirement. Under the Act, and for purposes of determining the required amount or amounts to be on deposit in the Reserve Fund, the amount of any letter of credit, insurance contract, surety bond or similar financial undertaking available to be drawn upon and applied to the obligations to which money in the Reserve Fund may be applied is deemed to be and must be counted as money in the Reserve Fund. The Executive Director is required annually, on or before December 1, to make and deliver to the Governor his certificate stating the sum, if any, required to restore the Reserve Fund to an amount equal to the Reserve Fund Requirement and the sum or sums so certified shall be appropriated and paid to the Authority during the then current State fiscal year. The State's fiscal year currently ends on June 30.

The Series 2025A Bonds and the aforesaid provisions of the Act do not constitute a legally enforceable obligation upon the State of Maine nor create a debt on behalf of the State. However, there is no constitutional bar to future legislatures to appropriate such sum as shall have been certified by the Executive Director of the Authority to the Governor as necessary to restore the Reserve Fund to an amount equal to the Reserve Fund Requirement. If at any time the Reserve Fund Value exceeds the Reserve Fund Requirement, the excess amount may be transferred to the General Fund. See Appendix C – "Certain Provisions of Principal Documents – Certain Provisions of the Reserve Fund Resolution."

GENERAL FUND

Under the Reserve Fund Resolution, the Reserve Fund Trustee shall establish and hold the General Fund, to be funded by (i) all money or funds held in the Reserve Fund in excess of the Reserve Fund Requirement; (ii) all investment income or interest earnings on amounts in the Reserve Fund and in the General Fund; (iii) proceeds of any Bonds that may be required to be deposited in the General Fund pursuant to the terms and conditions of any bond indenture or bond resolution; (iv) any other money or funds of the Authority that the Authority determines to deposit in the General Fund; and (v) any other money made available to the Authority for the purpose of the General Fund from any other source or sources. The General Fund is pledged to the security of the Bonds and any Bonds hereafter issued by the Authority and secured thereby pursuant to the terms of the bond indenture or bond resolution providing for the issuance of such Bonds. However, funding of the General Fund is not required, and neither the Authority nor the Reserve Fund Trustee is obligated to maintain funds in the General Fund; accordingly, no assurance can be given that any funds would be available in the General Fund to provide for the payment of the Series 2025A Bonds or any other Bonds. Moneys in the General Fund may be used by the Authority, in its sole discretion, for (i) payments of principal of, premium, if any, and interest on any Bonds secured by the Reserve Fund, (ii) payments to or on behalf of an Institution that has borrowed proceeds of Bonds secured by the Reserve Fund, (iii) payments to the Authority free and clear of any lien or pledge under the Reserve Fund Resolution for application to any of the Authority's corporate purposes permitted under the Act, or (iv) other purposes set forth in the Reserve Fund Resolution; provided, however, that under the Reserve Fund Resolution the Authority may not withdraw moneys from the General Fund (other than for the payment of debt service on Bonds) unless there is reasonably projected by the Authority to be sufficient funds after such withdrawal to make the next required payment of principal of or interest on any Bonds secured by the Reserve Fund; and provided further, however, that under the Reserve Fund Resolution the Authority has agreed that it will not use moneys in the General Fund for purposes other than to pay debt service on Bonds secured by the Reserve Fund in the event of a payment default on any such Bonds. See Appendix C – "Certain Provisions of Principal Documents – Certain Provisions of the Reserve Fund Resolution."

STATE FUNDING INTERCEPT

Under the Act, the Authority may notify the Treasurer of the State of a default or possible default on any of the Authority's bonds, including the Series 2025A Bonds. Upon such notification the Treasurer of the State is required under the Act to withhold any funds in the Treasurer's custody that are due and payable to the defaulting Institution and, if no other satisfactory arrangements have been made, make such funds payable to the Authority for payment of the bonds. The Act provides that funds subject to withholding could include federal and state grants, contracts, allocations or appropriations.

Pursuant to such provisions of the Act, the Authority has agreed in the Bond Indenture, but at its sole discretion, to implement the State funding intercept provision and to exercise the remedies provided therein, in the event that any of the Series 2025A Institutions defaults on any Note Payment or in the event that the Authority has "reasonable grounds to predict" that any of the Series 2025A Institutions will not be able to make Note Payments under its respective Series 2025A Loan Agreement as and when the same shall become due. The Authority shall be the sole party that can determine whether or not to implement such State funding intercept provision, and any determination of "reasonable grounds to predict" a default in Note Payments shall be in the sole discretion of, and as determined by, the Authority. No assurance can be given that the Authority would exercise its rights under the State funding intercept provision in the event of a default by an Institution, or, if it did so, that any funds would be made available thereunder. The Authority is required under the Act to apply any funds received from the State pursuant to such State funding intercept provision implemented with respect to any of the Series 2025A Institutions to the payment of debt service on Series 2025A Bonds issued on behalf of any such Institution.

Under the Series 2025A Loan Agreements, the Authority and each of the Series 2025A Institutions have agreed that if the Authority determines to implement the State funding intercept, a joint account will be established, into which all money received from the State will be deposited. Each of the Series 2025A Institutions will irrevocably sign multiple blank withdrawal forms with the Authority, which may not be utilized by the Authority until the earlier of the date that (i) the Authority determines to implement the State funding intercept provisions or (ii) an event of default occurs under the Series 2025A Loan Agreements of a Series 2025A Institution.

No assurance can be given that the Treasurer of the State has the legal right to withhold any funds that are due and payable to a defaulting Series 2025A Institution, and to pay such funds to the Authority for payment of the Series 2025A Bonds. The rights of the Authority to receive such funds are subject to and may be limited by the laws of the United States and the State with respect to bankruptcy, insolvency and creditors' rights generally.

PLAN OF FINANCE

Upon delivery of the Series 2025A Bonds, the proceeds of the Series 2025A Bonds, together with other available funds, will be used to: (i) finance and refinance the cost of the acquisition, construction, equipping and installation by the Series 2025A Institutions of healthcare, educational, community health, social service or mental health facilities, including the repayment of certain outstanding indebtedness of Foxcroft; (ii) fund a portion of the amount necessary so that the Reserve Fund is at the Reserve Fund Requirement; (iii) pay the premium for the Policy issued by the Bond Insurer; and (iv) pay the costs of issuance of the Series 2025A Bonds.

ESTIMATED SOURCES AND USES OF FUNDS

The proceeds to be received from the sale of the Series 2025A Bonds and other available funds are expected to be applied as follows:

Sources of Funds	
Principal Amount of the Series 2025A Bonds	$78,140,000
Original Issue Premium	4,185,456
Equity contribution of Foxcroft	31,126
Total Sources of Funds	$82,356,582
Uses of Funds	
Deposit to Construction Fund	$62,519,039
Refinancing of Prior Indebtedness[(1)]	12,835,045
Deposit to Reserve Fund[(2)]	5,708,656
Legal, Financing and other costs (including Underwriter's Discount, bond insurance premium and Authority's fees and expenses)	1,293,842
Total Uses of Funds	$82,356,582

[(1)] Comprised of bonds issued for the benefit of Foxcroft and other indebtedness incurred by Foxcroft, to be refinanced in part with proceeds of the Series 2025A Bonds and in part with an equity contribution of Foxcroft.

[(2)] This amount, together with the amount already on deposit in the Reserve Fund, will equal or exceed the Reserve Fund Requirement, being the greatest amount required to be paid in any calendar year with respect to the Prior Bonds and the Series 2025A Bonds. See "SECURITY FOR THE SERIES 2025A BONDS" and "RESERVE FUND" herein.

THE INSTITUTIONS

General Descriptions

The Institutions that have borrowed proceeds of Bonds secured by the Reserve Fund are nonprofit and charitable corporations and certain public instrumentalities or other entities established by the State, existing under the laws of the State constituting a participating health care facility, a participating community health or social service facility or participating institution for higher education in accordance with the Act. Each Institution, including each of the Series 2025A Institutions, is authorized to operate health care, community health or social service, or educational facilities. The participating Health Care Institutions include nonprofit hospitals, nursing homes, residential care facilities, continuing care retirement communities, community mental health facilities, community health centers, a scene response air ambulance, and assisted living facilities. A community health or social service facility is defined under the Act as a "community-based facility that provides medical or medically related diagnostic or therapeutic services, mental health or mental retardation services, substance abuse services or family counseling and domestic abuse intervention services, and is licensed by the State." The higher education Institutions include private, nonprofit and charitable institutions and organizations engaged in the operation of, or formed for the purpose of operating, an educational institution within the State, including the Maine Community College System and the University of Maine System, that, by virtue of law or charter, is an educational institution empowered to provide a program of education beyond the high school level. In addition, the Act also includes as a higher education Institution the Maine School of Science and Mathematics, which is a public, chartered school located in Limestone, Maine, established for the purpose of providing certain high-achieving high school students with a challenging educational experience. Further, the Act also includes as eligible entities nonprofit and charitable institutions and organizations that provide educational programs to its members or the general public, such as museums, theaters and fine art facilities.

The following provides a brief description of each of the Series 2025A Institutions, as well as a general description of the regulatory environment in which the Health Care Institutions operate. For a listing of all of the Institutions and the amounts of their respective loans, see Appendix A. See also "BONDHOLDERS' RISKS."

The Series 2025A Institutions

COA is a private, non-profit, 501(c)(3), coeducational liberal arts college, focusing on the study of human ecology, founded in 1969, with the first class admitted in 1972, and accredited by the New England Commission of Higher Education (NECHE). Located in Bar Harbor, Maine, COA has a student population of approximately 350.

Foxcroft is a private, non-profit, 501(c)(3), coeducational high school founded in 1823 and located in Dover-Foxcroft, Maine. Foxcroft has an enrollment of approximately 410 day and boarding students from 16 Maine communities and over 15 countries.

Jesup is a private, nonprofit 501(c)(3) organization located in Bar Harbor, Maine. Jesup, founded in 1911, serves as the library for the town of Bar Harbor and the surrounding area. Jesup offers free educational programs designed to enhance the knowledge and abilities of its members and the public. Programs include story times, tutoring, book clubs, creative workshops, and lectures on topics like literature, arts, and sustainability.

JFM is a private, non-profit, 501(c)(3) organization with principal offices in Auburn, Maine that develops, operates and manages small community-based residential facilities and special purpose private schools for intellectually and developmentally disabled adults and children of all ages. JFM also provides

other services consistent with the progressive care and treatment of intellectually and developmentally disabled people, including but not limited to: employment services, recreational, vocational and enrichment programs. JFM's facilities are located throughout central and southern Maine.

NYA is an independent, non-profit, 501(c)(3) coeducational toddler-post-graduate preparatory school located in Yarmouth, Maine. NYA was established in 1814 and currently enrolls approximately 400 students. It is accredited by the New England Association of Schools and Colleges (NEASC) and is a member of the National Association of Independent Schools (NAIS).

NMMC is a private, nonprofit 501(c)(3) healthcare organization with its main campus in Fort Kent, Maine. NMMC operates a 25-bed critical access hospital providing acute medical care, surgical, pediatric, psychiatric, rehabilitation, and general medical services. The hospital includes a 6-bed Intensive Care Unit and a 9-bed adult inpatient psychiatric unit. NMMC also operates a 45-bed long-term care and rehabilitation facility, as well as outpatient physician practices in Fort Kent and Madawaska.

RFGH is a non-profit, 501(c)(3) acute care hospital located in Skowhegan, Maine. RFGH is licensed by the Maine Department of Health and Human Services as a critical access hospital and is operating 25 acute care beds. RFGH provides a full range of inpatient and outpatient acute care services including community-based primary care, pediatrics, obstetrics and gynecology, endocrinology, geriatrics, podiatry, gastroenterology, neurology, general and orthopedic surgery, oncology, ambulatory surgery, ambulance transport, and 24-hour emergency medical services.

Woodfords is a 501(c)(3), nonprofit organization, founded in 1967, committed to the support and inclusion of people with special needs and their families in Maine communities. The agency provides a wide array of clinical, educational, behavioral health, residential, community, and family support programs to more than 2,000 children, youth, and adults with autism, developmental disabilities, intellectual disabilities and/or mental health diagnoses. Woodfords is accredited by the Council on Accreditation, demonstrating the agency's commitment to delivering high quality and impactful services.

THE MAINE HEALTH CARE REGULATORY ENVIRONMENT

In order to control the cost of health care paid for by the federal and state governments and to maintain or improve the quality of health care, there have been frequent changes to federal and state statutes, regulations and policies governing the operation and financing of hospitals, nursing facilities, assisted living facilities and various community-based providers of health care and related social services, including mental health and behavioral services (hereinafter the aforesaid health care related facilities are collectively referred to as the "Health Care Institutions"). These frequent changes are often motivated by an interest in limiting or controlling the cost of health care services paid for by the government and protecting or improving the quality of health care related services and the extent to which the entire population has access to those services. Further changes addressing these issues are likely to occur frequently for the foreseeable future, and it is not possible to predict the particular effects that new statutes, regulations and policies will have on the Health Care Institutions. Certain significant statutes, regulations and policies affecting the Health Care Institutions are described below.

On March 23, 2010, the Patient Protection and Affordable Care Act was signed into law and on March 30, 2010, the Health Care and Education Reconciliation Act was signed into law and amended the Patient Protection and Affordable Care Act. Together, these laws (hereinafter referred to as the "Affordable Care Act") made significant changes to the health care system in the United States. Implementation of the Affordable Care Act is affecting health care organizations in countless ways through insurance reforms, changes in Medicare and Medicaid provider payments, quality and transparency initiatives, and delivery system reforms. The Affordable Care Act includes such provisions as prohibiting health insurers from denying coverage or refusing claims based on pre-existing conditions, expanding Medicaid eligibility,

subsidizing insurance premiums, providing incentives for businesses to provide health care benefits, and establishing health insurance exchanges. On June 28, 2012, the Supreme Court of the United States upheld the Affordable Care Act in the face of a constitutional challenge. The Court held that the individual mandate was constitutional under Congress's taxing power. However, the Court ruled that Congress's expansion of the Medicaid program was unconstitutional because it would have withdrawn all federal funding to states that did not abide by the expansion. Accordingly, states have the option of expanding Medicaid under the Affordable Care Act. In January 2019, Maine implemented Medicaid expansion, with coverage for newly-covered beneficiaries retroactive to July 2, 2018. On July 1, 2022, Maine expanded Medicaid benefits further to include immigrants who are under 21 and those who are pregnant.

Efforts to repeal or substantially modify provisions of the Affordable Care Act continue. In July 2014, two federal appeals courts issued conflicting rulings with respect to the Affordable Care Act on whether the federal government could subsidize health insurance premiums in states that use the federal health insurance exchange. On June 25, 2015, the Supreme Court of the United States issued its opinion in King v. Burwell holding that the tax credit subsidies provided in the Affordable Care Act apply equally to state-run exchanges and the federal exchange, obviating the potential disparate treatment of program participants nationally. In the early days of his first term, President Trump issued an executive order to the Secretary of USDHHS and other agencies to interpret regulations flexibly to minimize the Affordable Care Act's financial burden and Congress also passed a budget resolution aimed at limiting funding as its first step in repealing and replacing the Affordable Care Act. On October 12, 2017, President Trump signed an executive order allowing the interstate sale of association health plans and extending the length of short-term coverage; on that date, he also announced that the federal government would cease making cost-sharing reduction payments to health insurers under the Affordable Care Act. On December 22, 2017, President Trump signed the Tax Cuts and Jobs Act, which, of relevance here, effectively repealed the Affordable Care Act's individual mandate by eliminating the individual tax penalty for failing to maintain health insurance coverage as of 2019.

In December 2019, the Fifth Circuit reviewed Texas v. United States on appeal and held that the district court correctly ruled that the Affordable Care Act's individual mandate is unconstitutional, but remanded the case back to the district court for a determination of how much of the rest of the law is invalidated. The Supreme Court agreed to review the case and on June 17, 2021 rejected the lawsuit in a 7-2 ruling, holding that the plaintiffs did not have standing to bring the suit and that the claimed injury was not redressable by the Court. It is possible that the Supreme Court will continue to review other challenges to the Affordable Care Act. For example, on June 21, 2024, the United States Court of Appeals for the Fifth Circuit issued a ruling in *Braidwood Management v. Becerra,* a case which challenged an ACA requirement that insurers and employers cover certain preventive services without cost sharing for patients. The Fifth Circuit affirmed the district court's decision prohibiting administrative agencies from enforcing preventive services recommendations from the U.S. Preventive Services Task Force but limited relief only to the named plaintiffs. The Supreme Court has granted certiorari in *Braidwood Management v. Becerra* and will hear the case in its upcoming term.

The outcome of future legal challenges, congressional action (including repeal, replacement, or amendment) or executive orders on the Affordable Care Act cannot be predicted. However, any substantial changes or repeal of the Affordable Care Act would likely have a further destabilizing effect on the health care and insurance markets and could materially and adversely affect the financial condition of the Health Care Institutions.

One of the stated primary purposes of the Affordable Care Act is to extend health insurance coverage to approximately thirty-two (32) million Americans who were uninsured at the time of the law's enactment. States that elect to participate may expand Medicaid to cover all adults earning less than 133% of the federal poverty level, and private health insurance is made available to individuals and small companies through exchanges that are run by the federal government, or at the option of a state by states

that elect to do so. Individuals who do not buy health care insurance, and certain employers that do not offer health insurance to workers, were subject to monetary penalties. The expectation of the Affordable Care Act is that the reforms would provide coverage to most Americans, with approximately half of those currently uninsured covered through possible expansions of Medicaid and more or less the other half through private insurance. The American Rescue Plan Act of 2021, which President Biden signed into law on March 11, 2021, bolstered health insurance coverage under the Affordable Care Act in two ways. First, the legislation provides states that have not already expanded Medicaid eligibility with additional financial incentive to do so. Additionally, the legislation temporarily enhances subsidies through 2022 for certain individuals who obtain health insurance through the Affordable Care Act exchanges. On August 16, 2022, President Biden signed into law the "Inflation Reduction Act of 2022," which further extended the enhanced Affordable Care Act subsidies through the end of 2025.

The Affordable Care Act also impacts health care provider payment and care delivery models. The current fee-for-service models, including the hospital PPS (as defined below), have been criticized for contributing to higher costs and systematic fragmentation. Programs in the Affordable Care Act are designed to promote emerging payment and care delivery models and the development of alternative payment systems designed to reward providers for improving care coordination, demonstrating quality improvement and providing greater transparency about care processes and outcomes. These systems include bundled payment, value-based purchasing, Accountable Care Organizations ("ACOs") and patient-centered medical homes.

Although the Affordable Care Act affects many aspects of hospital operations, it is not possible to predict with particularity the effects that these and other federal statutes will have on hospital revenues or whether additional changes will be made to the Medicare payment system in light of Federal budgetary pressures. Further, because there has been ongoing opposition to the Affordable Care Act, it is not possible to predict whether and to what extent there may be changes made to the Affordable Care Act, through legislation or as a result of legal challenges, and whether and to what extent any such changes may impact hospital revenues.

On March 18, 2020, Maine Governor Janet Mills signed LD 1660, an Act to Improve Access to Physician Assistant Care (the "Act"). The law removes the requirement for an experienced physician assistant ("PA") to have a supervising physician, while requiring PAs to continue to consult and collaborate with physicians and other providers in certain circumstances. The Joint Rule Regarding Physician Assistants ("Joint Rule") promulgated by the Board of Licensure in Medicine and the Board of Osteopathic Licensure was amended in December 2020 consistent with the Act. Under the Act and the revised Joint Rule, PAs are no longer required to have a "supervision agreement" with physicians under which the physician agrees to be responsible for all medical activities of the PA. The PA-physician relationship is now based more on collaboration than supervision, with different forms of agreement set forth in the Joint Rule.

On July 1, 2021, the federal Department of Health and Human Services (HHS), the Department of Labor, and the Department of the Treasury (collectively, the "Departments"), along with the Office of Personnel Management (OPM), issued "Requirements Related to Surprise Billing; Part I," an interim final rule (IFR) that will restrict excessive out of pocket costs to consumers from surprise billing and balance billing. On September 30, 2021, the Departments released a second IFR entitled "Requirements Related to Surprise Billing; Part II." It implements additional protections for consumers against surprise medical bills under the No Surprises Act (NSA), including provisions related to the independent dispute resolution (IDR) process, good faith estimates for uninsured (or self-pay) individuals, the patient-provider dispute resolution process, and expanded rights to external review.

The second IFR, which provided more details on the way such out of network disputes will be settled under the No Surprises Act, drew immediate opposition from hospital and physician groups. On

February 23, 2022, the United States District Court for the Eastern District of Texas (District Court) invalidated portions of the interim final rule pertaining to the IDR process between payers and out-of-network providers in the case of *Texas Medical Association, et al. v. United States Department of Health and Human Services*. In response to the District Court's ruling, on August 19, 2022, the Departments issued a narrow Final Rule establishing a revised IDR process. The IDR process was challenged again in the case of *Texas Medical Association, et al. v. United States Department of Health and Human Services (TMA II)*. On February 6, 2023, the United States District Court for the Eastern District of Texas vacated certain portions of the final rule relating to information an IDR entity must consider in a payment determination and information an IDR entity must include in its written decision. In response to the District Court's ruling, the Departments issued guidance on how IDR entities should process claims following the February 2023 ruling and subsequently appealed the recent Texas Medical Association Decision. In August 2023, two court orders set aside certain regulations implementing the IDR process and vacated nationwide a federal fee increase and batching rule for the IDR process for certain out-of-network providers and group health plans. CMS reopened, in October 2023, the No Surprises Act's IDR portal to out-of-network providers and group health plans initiating new single payment disputes.

The Departments are expected to promulgate additional Final Rules implementing other aspects of the No Surprises Act. For example, on December 21, 2023, the Departments issued a final rule which outlines the administrative fee amounts charged by the Departments to participate in the Federal IDR process and on October 27, 2023, the Departments released a proposed rule to amend the Federal IDR process under the No Surprises Act to expedite the processing of disputes. Additionally, ongoing legal challenges have added uncertainty to the arbitration process, with a recent Fifth Circuit Court ruling favoring federal agencies. It is impossible to predict whether there will be additional legal challenges to Final Rules implementing the No Surprises Act moving forward.

Government Reimbursement Environment for Hospitals

The hospital Institutions rely for a significant portion of their patient service revenues on reimbursement programs administered by the Federal government under Title XVIII of the United States Social Security Act (the "Medicare" program), providing hospital insurance benefits for most individuals over the age of 65 and for those entitled to social security disability benefits. A lesser but also significant portion of the revenues of the hospital Institutions are paid by the Maine Department of Health and Human Services ("DHHS") in accordance with federal and state regulations adopted under Titles V and XIX of the Social Security Act pursuant to which the federal government reimburses the State for a majority of the costs (the "Medicaid" program). Although legislation in Maine has changed the name of the State's Federal Medicaid program to "MaineCare," it will continue to be referred to herein as "Medicaid."

Medicare. Historically, hospitals were reimbursed pursuant to a "reasonable cost" based system of reimbursement, under which increases in a hospital's operating costs were passed on to the federal government. Concerns over dramatically increasing health care costs led to the creation and rolling implementation of the "Prospective Payment System" or "PPS." Today, the reasonable cost based system of hospital reimbursement has been phased out in favor of inpatient and outpatient PPS, or "IPPS" and "OPPS" respectively.

Under the IPPS, inpatient services at general, short term, acute care hospitals (except any hospital which has been designated as a limited service critical access hospital (a "Critical Access Hospital") by certain state and federal authorities) are paid by Medicare on the basis of prospectively determined payment amounts per discharge, rather than on the basis of allowable reasonable costs reported retrospectively. Each inpatient is categorized into a "Medicare severity diagnosis related group" or "MS-DRG" based on the patient's diagnosis and any complications or co-morbidities, and each MS-DRG is assigned a payment weight based on the average resources used to treat Medicare patients in that MS-DRG. The MS-DRG payments are subject to annual adjustments for a variety of factors, some of which are related to changing

costs of providing the service but others of which may be related to such extrinsic factors as federal budget constraints. It is not possible to predict the effects of the IPPS on hospital revenues or whether additional changes will be made to the IPPS system.

The Balanced Budget Act of 1997 required the Centers for Medicare and Medicaid Services ("CMS") to develop a PPS for outpatient department hospital services. CMS established an outpatient prospective payment system based on the classification of services delivered in an outpatient setting into "Ambulatory Payment Classification" ("APC") groups. The OPPS was first implemented for services furnished on or after August 1, 2000. Since that time CMS has frequently changed, corrected, delayed and revised the OPPS rules, promulgated payment suspension provisions for un-filed cost reports and established Payment Rates for each calendar year. It is not possible to predict the effects of the OPPS on hospital revenues or whether additional changes will be made to the OPPS system.

Inpatient psychiatric facilities are also paid under a PPS. Likewise, both long term care hospitals and inpatient rehabilitation facilities are paid under a PPS, as opposed to a reasonable cost system. It is not possible to predict the effects of the evolution from reasonable cost to PPS on hospital revenues or to predict whether additional changes will be made to PPS.

Hospitals designated as Critical Access Hospitals continue to be reimbursed on a reasonable cost basis for services rendered after such designation is approved. Medicare legislation increased the number of allowable beds from 15 to 25, and increased reimbursement to 101 percent of reasonable cost, thereby increasing the number of hospitals in the State that may be designated as Critical Access Hospitals. Hospitals that qualify as Sole Community Hospitals or Medicare Dependent Hospitals (and other types of specially-designated hospitals) may be entitled to receive enhanced Medicare inpatient payments.

With the implementation of the Affordable Care Act, CMS is currently testing several models of care delivery re-design that aim to improve the efficiency of healthcare systems, improve quality, and contain costs. These models are designed to make health care providers accountable for the care that they provide to Medicare beneficiaries, and include such initiatives as the Advance Payment Incentive, ACO model, Pioneer ACO demonstrations, and Medicare Shared Savings ACO program. It is not possible to predict the effects that these value-based care delivery models may have on hospital revenues or to predict whether additional changes, in addition to the changes detailed below, will be made to the Medicare PPS and fee-for-service payment systems.

Recent Legislation. On January 2, 2013, the American Taxpayer Relief Act of 2012 (the "Taxpayer Relief Act") was signed into law to address the federal deficit and the budget sequestration provisions of the Budget Control Act of 2011. The Taxpayer Relief Act postponed the budget sequestration provisions of the Budget Control Act of 2011 for two months to allow Congress to attempt to reach a budget compromise. With no budget compromise forthcoming, on March 1, 2013, President Obama issued a sequestration order, requiring across-the-board reductions in Federal spending. Accordingly, on March 8, 2013, CMS announced that Medicare claims for payment with a date of service or date of discharge on or after April 1, 2013, incurred a two percent (2%) reduction in Medicare payment. In late December 2013 a budget agreement was signed into law that raised the sequestration caps for fiscal years 2014 and 2015 in exchange for extending the sequestration through 2023. On November 2, 2015, President Obama signed into law the "Bipartisan Budget Act of 2015," which extended sequestration for an additional year, through fiscal year 2025. The law also provides a uniform 2% reduction for 2024 instead of applying different rates during the first and second halves of the fiscal year, but the FY 2025 sequestration will be "front loaded" (that is, a 4% reduction will apply during the first 6 months of the fiscal year and no reduction will be imposed during the second half of the fiscal year). Congress enacted the Bipartisan Budget Act of 2018, which extended sequestration until 2027. In August 2019, President Trump signed the Bipartisan Budget Act of 2019, which extends sequestration until 2029. Subsequent legislation extended sequestration through 2031 and the sequestration of only Medicare benefit payments spending through 2032. On March 27, 2020,

President Trump signed into law the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act"), which, among other things, temporarily suspended Medicare Sequestration cuts through December 2020. The Act to Prevent Across-the-Board Direct Spending Cuts, and for Other Purposes, signed into law by President Biden on April 14, 2021, further suspended Medicare Sequestration through December 31, 2021. Subsequently, Congress enacted the Protecting Medicare and American Farmers from Sequester Cuts Act (P.L.117-71), which extended the Medicare sequestration moratorium until April 1, 2022, at which time sequestration cuts were scheduled to begin at a 1% reduction before reaching a 2% reduction on June 1, 2022. As of July 1, 2022, the cuts have reverted to 2%.

In the future, Congress and the Administration may or may not reach budget deals to lessen the impact or end sequestration. It is impossible to predict, however, whether any such further budget deals will be made and whether such budget deals or the failure to do so would impact federal spending on the Medicare and Medicaid programs. Likewise, it is not possible to predict whether additional budget control measures will be made to the Medicare payment system in light of Federal budgetary pressures.

The American Recovery and Reinvestment Act of 2009 ("ARRA"), also known as the "Stimulus Bill," contained a number of provisions impacting hospital Institutions. For example, the ARRA provided approximately $19 billion for Medicare and Medicaid health information technology incentives. The incentives were provided through the Medicare program and encouraged physicians and hospitals to adopt and use certified electronic health records ("EHR") in a meaningful way (as defined by the Secretary and may include reporting quality measures) before 2015. Providers who did not adopt and use certified EHR in a meaningful way were subject to financial penalties. Additional financial penalties and incentives were imposed on physicians and hospitals who failed to satisfy heightened standards for meaningful use of EHR during a 2015 through 2017 reporting period under the Modified Stage 2 Electronic Health Record Incentive Program.

The Medicare Access and the CHIP Reauthorization Act of 2015 ("MACRA") may also affect hospitals. In addition to establishing EHR requirements, MACRA sought to reform Medicare payments to certain physicians through its Quality Payment Program, which has two tracks: (1) Advanced Alternative Payment Models ("Advanced APMs"), which seek to incentivize physicians to provide high quality and cost efficient care by participating in coordinated care arrangements, and (2) the Merit-Based Incentive Payment System ("MIPS"), which will adjust Medicare payments using evidence-based and practice-specific quality data. Both tracks could potentially affect hospitals. Physicians who want to participate in Advanced APMs may solicit their hospital partners to participate in these models. It is not possible to predict the cost of such participation for hospitals. In addition, hospitals that employ physicians may incur MACRA implementation costs stemming from MIPS reporting requirements. The cost of compliance with these reporting requirements may vary based on a number of factors, including a hospital's selected quality measures and previously established reporting mechanisms.

On August 16, 2022, President Biden signed into law the Inflation Reduction Act of 2022 (H.R. 5376), which, among other things, authorized the United States Secretary of Health and Human Services to negotiate the prices of certain prescription drugs covered by the Medicare program. In August 2023, HHS announced the 10 Medicare Part D drugs selected for negotiation. All 10 companies selected agreed to participate in negotiations. Any negotiated prices will become effective beginning in 2026. On January 17, 2025, HHS announced an additional 15 Medicare Part D drugs selected for negotiation. Any negotiated prices will become effective beginning in 2027. On October 2, 2024, CMS issued final guidance for the implementation of the Negotiation Program for initial price applicability year 2027 and for manufacturer effectuation of the maximum fair prices (MFPs) in 2026 and 2027. After considering public comments, CMS will issue final guidance for initial price applicability year 2027 and for manufacturer effectuation of the MFP in 2026 and 2027. Further, beginning in 2025, the Inflation Reduction Act of 2022 instituted a cap of $2,000 on out-of-pocket prescription drug costs for Medicare enrollees and is predicted to impact 11 million Medicare enrollees.

Medicaid. As is the case with Medicare, the payment methodologies in the Medicaid program continue to change and evolve. Beginning in 2004, for hospital inpatient services DHHS implemented a payment system based on a prospectively determined rate per-discharge. For hospital outpatient services, Medicaid reimbursement generally followed the methodology established by CMS for Medicare-covered services prior to the implementation of PPS methodologies. Medicaid outpatient services were reimbursed at the lower of outpatient costs or charges in accordance with pre-PPS Medicare Principles of Reimbursement. DHHS paid hospitals a weekly interim payment for inpatient and outpatient services, called prospective interim payments ("PIP"), based in part on cost report data from previous years. After close of the fiscal year, a retrospective reconciliation is determined for each hospital ("Interim and Final Cost Settlements"), which compares the total PIP payments made to the amount due based upon actual costs and utilization in accordance with state and federal regulations, plus a "disproportionate share hospital" allowance for those hospitals that qualify on the basis of the quantity of service provided to Medicaid-eligible patients and to low-income patients not eligible for Medicaid. The disproportionate share hospital payment is subject to a federally mandated aggregate cap and state budgetary constraints.

In recent years, the annual amount of PIP paid to hospitals has been lower than their costs and DHHS has owed the hospitals the difference between the annual PIP and the Interim and Final Cost Settlement. Historically, DHHS has not received sufficient annual budget appropriations to pay the cost settlements, which has caused some delay in the issuance of Interim and Final Cost Settlements to hospitals.

In State fiscal year 2013, DHHS phased out the PIP and Interim and Final Cost Settlement process for hospitals that are not designated as Critical Access Hospitals and transitioned to a payment system based on the Medicare IPPS and OPPS. As a result, DHHS currently reimburses hospital inpatient services based on diagnosis related grouping ("MaineCare DRG"), similar to the MS-DRG methodology. For outpatient services, DHHS currently reimburses hospitals based on ambulatory payment classifications ("MaineCare APC"), similar to the Medicare APC methodology, and pays hospitals 83.7% of the Medicare rate. This change in the Medicaid payment system for hospitals that are not designated as Critical Access Hospitals will largely eliminate the need for PIP and Interim and Final Cost Settlements because payments for services are made on a current basis. On June 28, 2024, DHHS proposed changes to hospital reimbursement adding a PIP floor that establishes that total payment to all hospitals receiving a PIP is not less than 70% of the calculated amount of the total PIPS for the State Fiscal Year. Medicaid continues to reimburse Critical Access Hospitals based on the reasonable costs of both inpatient and outpatient services and a small adjustment will be made to payments for inpatient services relating to relative share of Medicaid patients. DHHS's proposed changes published on June 28, 2024, additionally eliminate Critical Access Hospital supplemental pool payments effective December 31, 2024. Any acute care hospital previously reimbursed by Medicare as a prospective payment system hospital and reimbursed by Medicaid as a Critical Access Hospital for outpatient services will receive a time-limited supplemental payment until June 30, 2029. It is not possible to predict the effects that delayed payments or changes to the reimbursement system may have on individual hospital Institutions or whether State budgetary pressure will cause delays in hospital Interim and Final Cost Settlements if the proposed changes are adopted. The extent to which these multiple components of Medicaid reimbursement have resulted in payments sufficient to cover actual costs of caring for Medicaid patients has varied from hospital to hospital in recent years. Since 2013, states are required to submit to CMS upper payment limit ("UPL") calculations for inpatient and outpatient hospital services on an annual basis. It is not possible to predict the effects that changes to the Medicaid reimbursement system will have on hospital revenues or whether additional changes will be made to the Medicaid payment system in light of recent and continuing State budgetary pressures. There can be no assurance that Medicaid payments will be sufficient to reimburse the hospital Institutions for the costs of the services provided to eligible beneficiaries.

In May 2016, CMS published a rule that revised the Medicaid managed care program ("Medicaid Managed Care Rule"), the first major revision to Medicaid managed care in more than a decade. The

Medicaid Managed Care Rule clarified state authority to require Medicaid managed care plans to implement value-based purchasing models, which could implicate hospitals. The rule also phases out payments to providers that supplement the contracted rates that Medicaid managed care plans pay to providers; the phasing out of those payments could reduce reimbursements to hospitals. The Medicaid Managed Care Rule could affect hospitals in other ways, as well, though it is not possible to predict the extent of the effects.

In 2022, Maine Governor Janet Mills signed into law legislation establishing rate development and rulemaking requirements for the Maine Department of Health and Human Services to revise and develop Medicaid rates and payment models. For example, in October 2022, Maine DHHS adopted a rule that added a Value-Based Purchasing Supplemental Sub-Pool which distributes $600,000 annually to eligible hospitals. Eligible hospitals, such as acute care non-critical access, receive funds based on performance of one or more quality measures. It is impossible to predict the content or impact of future Medicaid reimbursement rulemaking or legislation.

Free Care Obligation. Even with Medicaid expansion in place, the hospital Institutions are required by State law to provide care to individuals unable to pay for hospital services due to low income. The hospital Institutions are prohibited from denying service to any State resident "solely because of the inability of the individual to pay for those services." At a minimum, each hospital must conclude that a person is unable to pay when their family income falls below current federal poverty guidelines. Each hospital is required to adopt and follow a "free care policy" that defines how inability to pay will be determined and the services that will be provided. Certain affiliates of hospitals are required to follow similar policies.

Hospitals are also required under the federal Emergency Medical Treatment and Active Labor Act ("EMTALA") to provide screening and stabilization or an appropriate transfer to all patients seeking emergency care, without regard to their ability to pay. Hospitals may be excluded from reimbursement under Medicare for unremedied violations of EMTALA. As part of Maine's fiscal 2024-2025 budget, Maine established the Maine Emergency Medical Services Sustainability and Resiliency Grant Program to provide grants to Maine-based emergency medical services. On February 25, 2025, DHHS published procedures for allocating the Maine Emergency Medical Services Sustainability funds to emergency medical services entities.

In December 2020, the federal government finalized the expansion of Medicare telehealth services. The Centers for Medicare & Medicaid Services instituted several changes that directly affect reimbursement for telehealth, including: allowing Medicare patients to receive behavioral/mental telehealth services in their home, removing geographic restrictions for originating site for behavioral/mental telehealth services, recognizing Federally Qualified Health Centers (FQHCs) and Rural Health Centers (RHCs) as the distant (provider) site in a behavioral/mental telehealth encounter, and allowing audio-only telehealth for behavioral/mental telehealth services. In addition, the Consolidated Appropriations Act 2023 (P.L.117-328), which President Biden signed into law on December 23, 2022, further extended temporary Medicare telehealth flexibilities through December 31, 2024. Most recently, Congress further extended these telehealth flexibilities through March 31, 2025, as part of the American Relief Act of 2025. Temporary flexibilities include: no geographic restrictions for the originating site for non-behavioral/mental telehealth services, allowing Medicare patients to receive telehealth services in their home, expanding eligibility to all Medicare recipients, recognizing FQHCs and RHCs as the distant (provider) site in a non-behavioral/mental telehealth encounter, and removing the requirement of an in-person visit within six months of an initial behavioral/mental telehealth service. Several legislative measures have been introduced to extend telehealth flexibilities. Unless Congress and HHS take further action, telehealth flexibilities will end March 31, 2025.

Many states have also enacted or are seeking to legislate policies to expand access to telehealth services, such as requiring insurers to implement payment parity to reimburse providers the same amount

for telehealth and in-person visits. Maine passed in June 2023, S.B. 717 allowing for the use of telehealth technology to facilitate audiology and speech-language pathology services across state lines and H.B. 231 requiring Maine DHHS to establish a child psychiatry telehealth consultation service. The expansion of telehealth could affect providers and payers in a variety of ways, though it is not possible to predict the extent of these potential changes.

In March 2024, the Maine Senate gave initial support to Senator Stacy Brenner's amended version of LD 1639, "An Act to Address Unsafe Staffing of Nurses and Improve Patient Care." By setting minimum patient-nurse ratios in Maine, the bill would establish minimum staffing requirements based on the patient care unit and patient needs. The House, however, did not address the legislation before the end of the session. It is not possible to predict whether a version of the bill will appear in future sessions or the extent of the impact of established patient-nurse ratios on Maine Institutions.

It is not possible to predict the effects that changes to the health insurance market and Medicaid reimbursement system will have on hospital revenues or whether additional changes will be made to the Medicaid payment system in light of recent and continuing State budgetary pressures. There can be no assurance that Medicaid payments will be sufficient to reimburse the hospital Institutions for the costs of the services provided to eligible beneficiaries. It is possible that the Legislature will consider further changes to Medicaid reimbursement, including reductions in reimbursement to the Institutions as well as tax measures or enrollment caps to address any future budgetary shortfall in the future legislative session and that some of those cuts and taxes may affect the Institutions.

Under the Price Transparency Act, the Centers for Medicare and Medicaid Services required that, starting on January 1, 2021, all U.S. hospitals publicly display the cash price and negotiated charges for 300 shoppable services. Hospitals must display price data, including expected out-of-pocket costs, for shoppable services that can be scheduled in advance in a consumer-friendly manner that facilitates hospital comparisons. The American Hospital Association (AHA) and other hospital groups challenged the rule, seeking to block its implementation. However, those efforts ultimately failed, and the rule went into effect, although various studies have identified that a large number of hospitals were not in full compliance with the Act in 2021 and early 2022. As of July 1, 2022, most group health plans and issuers of group or individual health insurance are required to post pricing information for covered items and services per the federal No Surprises Act (P.L. 116-260). CMS updated its enforcement process in April 2023 by requiring Corrective Action Plan deadlines for hospitals that are out of compliance, imposing Civil Monetary Penalties earlier and automatically, and no longer issuing a warning notice prior to requesting a hospital submit a Corrective Action Plan.

It is possible that these recent and further forthcoming developments may impact hospital Institutions, as well as other Health Care Institutions, both as employers with insured employees and as health care providers.

Reimbursement Environment for Nursing Facilities and Assisted Living Facilities

Successful operation of nursing facilities and assisted living facilities that accept Medicaid enrollees is highly dependent on the Medicaid program administered by DHHS. The federal government has on occasion threatened to cut off Medicaid funds to states which it found were not in compliance with its regulations. Any such Federal action taken with respect to the State Medicaid program would likely have a material adverse effect upon the nursing facilities or assisted living facilities of an Institution.

State administrators of the Medicaid program periodically audit the reimbursable costs on which Medicaid reimbursements are based. No assurance can be given that certain costs will not be disallowed with an attendant reduction in rates of reimbursement. Such an audit could result in the nursing facilities and assisted living facilities being required to refund Medicaid reimbursements previously received.

To obtain the necessary Medicaid reimbursement, the nursing facilities and assisted living facilities must be able to attract an adequate number of patients. Demographic changes, competition from other nursing facilities or assisted living facilities, and efforts by DHHS to encourage home and community-based alternatives to care in these facilities could hamper the ability of the nursing facilities or assisted living facilities of an Institution to obtain or maintain satisfactory occupancy ratios.

In recent years, nursing facility bed occupancy has fluctuated in different regions of the State. This trend has not affected all nursing facilities equally. A few have experienced little change in their occupancy rates, while most have experienced declines in occupancy as a percentage of available beds, the magnitude and impact of which have varied greatly from facility to facility. A few have closed due to occupancy, inadequate reimbursement and related economic issues. Occupancy rates and financial performance are highly correlated in the nursing facility industry. The impact, if any, of the regulatory changes pertaining to nursing facilities on the financial condition of the Health Care Institutions is not known at this time. Policies designed to achieve reductions in the total number of nursing facility beds may have negative effects on occupancy.

There have been numerous statutory and regulatory changes that may have a material adverse effect on occupancy and financial viability of nursing facilities and assisted living facilities. For example, since 1994, DHHS has required a "Medical Eligibility Determination" ("MED"), using prescribed forms and assessment tools, as a prerequisite to Medicaid coverage of nursing facility services. Unless these medical criteria, as amended from time to time, are met, Medicaid reimbursement for care provided in a nursing facility is unavailable. Accompanying statutory requirements deny all reimbursement for services delivered to any privately-paying resident who does not qualify for nursing facility services under the MED assessment at the time of admission, if that resident later exhausts the private funds and applies for Medicaid benefits but still does not qualify under the MED criteria.

In addition, when individuals apply for Medicaid, they must report financial transactions they have made over a "look back" period. If there have been transfers of assets for less than value, Medicaid imposes a "penalty period" for eligibility, during which an applicant is ineligible for Medicaid. The Deficit Reduction Act of 2005 made two significant changes in the "look back" and "penalty period" calculations that may adversely impact nursing facilities. First, the "look back" period was extended from thirty-six (36) months to sixty (60) months. Second, the "penalty period" now begins on the date of the prospective resident's application for Medicaid as opposed to the date of the transfer for less than value. Thus, DHHS is looking farther back for problematic transfers and the penalty period does not begin until the resident applies for Medicaid.

Federal nursing home quality standards have also increased Federal oversight, which is burdensome and expensive to nursing facilities. The regulations provide for fines of up to $10,000 per day for violations of the standards. In October 2016, federal authorities promulgated extensive revisions to the conditions of participation governing nursing facilities. These revisions focus on providing person-centered care so that residents and their representatives are more informed and involved. Attention is also given to quality of life and quality of care issues, as well as providing appropriate and necessary behavioral rehabilitation and other related services.

Increased scrutiny from the United States Department of Health and Human Services' ("USDHHS") Office of Inspector General ("OIG") has been reported in fraud alerts with respect to the long-term care industry, and the industry can expect increased scrutiny of nursing facilities in the future, including audits and evaluations of nursing home staffing and response to the COVID-19 pandemic. The OIG and certain US Attorneys' offices have also pursued claims against nursing facilities under the False Claims Act asserting violations of Medicare standards, and have been successful in obtaining significant financial settlements. On July 31, 2024, CMS issued a final rule revising CMS' existing nursing home enforcement authority by expanding penalties to allow for more per instance and per day civil monetary

penalties ("CMPs") to be imposed. It is not possible to predict the impact the proposed increased number and amount of CMPs will have on nursing homes.

Monthly room charges made to patients of nursing facilities and assisted living facilities are generally paid from one or more of the following sources:

a. Payment from the patient's personal funds (private pay patients);

b. Medicare payments (Federal program for the aged), solely for certain subcategories of care in nursing facilities;

c. Medicaid payments (State program for the medically indigent, funded by State and Federal funds);

d. Veterans Administration payments; or

e. Private long-term care insurance.

Private insurance carriers reimburse their subscribers or make direct payments to health care facilities for expenses of care at established rates. The patient remains responsible for any difference between the insurance proceeds and the total charges. Many private insurance policies do not presently provide benefits for long-term care and treatment in nursing homes.

Under the Medicaid and Medicare programs, nursing facilities and, under the Medicaid program, assisted living facilities, are reimbursed on the basis of prospectively determined payment rates for services to qualified patients. These rates are based on a combination of facility-specific and industry-wide determination of reasonable costs. Under both programs, the amount of reimbursement is subject to certain ceilings. In addition, there are guidelines applied for determining the reasonableness of various allowable costs. During the year, rates for services to Medicare and Medicaid patients are based upon estimates of costs to be incurred. With respect to Medicare and Medicaid, allowable costs include interest, depreciation, amortized financing expenses and certain operating expenses. Each program will reimburse its share of the interest portion of the nursing facility's allowable debt service payments. The allowability of debt service is subject to tests for reasonableness and relationship to the reimbursable services provided, among others. Allowable debt service, like other fixed costs, will not be fully reimbursed if a nursing facility's occupancy falls below certain levels on an annualized basis. Although the principal portion of such debt service payments is not considered to be a reimbursable cost, a depreciation charge on the portion of the buildings and financing expenses allocable to each program is allowed as a reimbursable cost. All costs are subject to overall ceilings for reimbursement applicable to particular categories of costs. In addition, as of 2013, states are required to submit to CMS UPL calculations for nursing facility services on an annual basis. In determining and allocating costs, the Medicare and Medicaid programs follow generally accepted accounting principles unless their applicable rules specify otherwise.

Medicaid reimbursement for nursing facilities is based on the Maine Principles of Reimbursement for Nursing Facilities. Medicaid reimbursement for assisted living facilities is based on both the Principles of Reimbursement – Private Non-Medical Institutions ("PNMIs") and the Principles of Reimbursement for Residential Care Facilities – Room and Board Costs. These rules establish a prospective reimbursement system for most facilities by which the payment rate for services is set in advance of the actual provision of the services. For nursing facilities, these rates are adjusted for "case mix," i.e., the intensity of the resources required for treatment of a given population. The Medicaid rate is established in a two-step process. In the first step, a facility's base year cost report is reviewed to extract those costs which are allowable costs. A facility's costs may fall into an allowable cost category, but be determined unallowable because they exceed certain limitations and ceilings based on the reported allowable costs of other facilities

within their peer group. Allowable base year costs are determined and separated into components: direct, indirect, routine, and fixed costs for nursing facilities, or routine and fixed/capital costs (with allocations of indirect costs) for assisted living facilities. The second step is to apply various aggregate limits, standards, and exclusions to costs incurred in allowable categories, in order to calculate the rate at which the facility's services will be reimbursed. This step is generally described in DHHS's Rules as accomplishing the objective of determining those costs that "must be incurred by an efficiently and economically operated facility," a reference to now-repealed federal statutory standards for reimbursement of nursing facility services, which were echoed in Maine regulatory language that currently remains in effect. This step includes the "case mix" adjustment, which depends on classification of each resident into "case mix classification groups" based on "minimum data sets" ("MDS") reflecting periodic assessment of each resident's "functional capacity." Errors in these MDS data may subject a nursing facility to substantial reimbursement penalties. The rules applicable to nursing facilities and most assisted living facilities currently provide that DHHS will establish a prospective per diem rate to be paid to each facility until the end of its fiscal year.

Each nursing facility's cost components for the fiscal year defined by the rule from time to time as the base year will be the basis for the rate computations (subject to upper limits). The base year direct, indirect and routine patient care cost components will be trended forward using inflationary factors described in the reimbursement rule.

Upon determination of the final rate, reconciliation must be made between DHHS and the institutional provider. If DHHS determines that a facility was overpaid, the facility must repay the overpayment within sixty (60) days of notice or request that DHHS reduce facility payments during the balance of the fiscal year by the amount of the overpayment.

The Maine Principles of Reimbursement for Nursing Facilities are frequently amended, often on an emergency basis to comply with State budget initiatives to balance the State budget. According to DHHS, these periodic rule changes and others are necessary changes related to budget calculations. It is not possible to predict the effects that changes to the Medicaid reimbursement system will have on nursing facility revenues or whether additional changes will be made to the Medicaid payment system in light of recent and continuing State budgetary pressures. There can be no assurance that Medicaid payments will be sufficient to reimburse the nursing facility Institutions for the costs of the services provided to eligible beneficiaries.

Further impacting staffing costs for both nursing facilities and assisted living facilities is the enactment in November 2016 of Citizen Initiated Legislation to increase Maine's minimum wage. This legislation raised the minimum hourly wage from $9.00 per hour in 2017 to $12.00 per hour in 2020. As of January 1, 2021, the minimum hourly wage increases at the same rate as the cost of living. Starting January 1, 2025, the minimum wage was increased further to $14.65. DHHS reimbursement for these staffing costs is further impacted by legislation effective January 1, 2022, that obligates the Medicaid program to reimburse nursing facilities and assisted living facilities at rates that are at least 125% of the minimum wage hourly rate. On April 20, 2022, Governor Janet Mills signed into law Maine's fiscal 2022-2023 budget, which increased funding in the Nurses Facilities program and also funded a program that paid for personal care, home health and other services as an alternative to nursing home placement. In March 2023, Governor Mills signed into law Part One of Maine's fiscal 2024-2025 budget, which includes investments in rural hospitals and long-term care facilities. It is impossible to predict the effects of these budget changes in the future.

The methodology prescribed in the Principles of Reimbursement – Private Non-Medical Institutions (PNMIs) and the Principles for Reimbursement for Residential Care Facilities – Room and Board Costs governing assisted living facilities that accept Medicaid enrollees, while similar to that described above for nursing homes, is somewhat less complicated. DHHS will reimburse assisted living

facilities a daily rate for covered services provided to eligible residents based on the resident's level of resource needs. Residents are assessed for level of need by reference to an assessment tool, and from the results of the assessment, DHHS assigns the resident to different resource groups organized by level of need. DHHS then reimburses assisted living providers for services provided to each eligible resident based on their individual resource grouping. As with other types of health care providers, CMS has shifted its retrospective reasonable-cost based payment system to a prospective payment system for Medicare-covered services in skilled nursing facilities ("SNF-PPS"). The SNF-PPS payment rates include the costs of all covered skilled nursing services exclusive of certain costs associated with operating approved educational activities.

The SNF-PPS payments apply to services Medicare beneficiaries receive during a skilled nursing facility stay covered by the Medicare program. When Medicare beneficiaries are receiving nursing facility services not covered in their entirety by Medicare, certain therapeutic and other services received by those residents are covered under "Part B" of Medicare. Under the consolidated billing requirements adopted in conjunction with the establishment of the SNF-PPS, Medicare Part B covered services provided to a nursing facility resident are no longer billed separately by each provider of these services. Instead, the nursing facility is required to bill Medicare on a consolidated basis for most such services delivered to a Medicare-eligible resident, and the nursing facility is responsible for paying the providers of those services. Physician services and certain other categories are excluded from the consolidated billing requirement. In addition, as of 2018, nursing facilities receive value-based performance incentives under a Value-Based Purchasing Program. Further, compliance with the reporting of measures under the Skilled Nursing Facility Quality Reporting Program is necessary for a nursing facility to avoid a two-percent reduction in its market basket percentage increase.

Maine Hospital, Nursing Facility, and Assisted Living Facility Licensing and Operational Regulations

Maine statutes and implementing rules require hospitals, nursing facilities (including nursing homes formerly classified as "intermediate care facilities" or "skilled nursing facilities"), and assisted living facilities (including those formerly classified as ''boarding homes" and those currently classified as "residential care facilities" or "private non-medical institutions" and, to a lesser degree, those formerly regulated as "adult foster homes" or "congregate housing services") to obtain and annually renew licenses and to operate pursuant to detailed rules governing the functioning of such facilities. These facilities are subject to periodic and detailed surveys of their operations for the purpose of ensuring compliance with these detailed licensing requirements. For hospital and nursing facilities, these requirements are interrelated with certification and participation rules established at the federal level with respect to the Medicare and Medicaid programs. There are a wide variety of "remedies," ranging from monetary penalties to various controls or limitations on operation, which can be imposed by licensing and certification authorities, in response to operational deficiencies found during these surveys. For hospitals and nursing facilities, these enforcement measures can affect both State licensure and the right to participate in federal health care programs. Compliance with these State and, where applicable, federal regulations require significant effort and expense on behalf of the facilities and there can be no assurance that hospitals, nursing facilities and assisted living facilities will be able to maintain the necessary licenses in the future or will not be required to spend significant sums in order to maintain their licenses.

In addition to this primary licensure and regulatory framework, numerous health and safety regulations and statutes apply variously to the hospitals, nursing facilities, and assisted living facilities and are enforced by various State agencies. Violation of licensure or health and safety standards could result in closure or requirements that compliance with such standards are to be immediately achieved. Such standards are subject to change and there can be no assurance that in the future these health care facilities will meet those changed standards or will not be required to spend significant sums in order to comply with those changed standards.

Any Institution that wishes to engage in a project which requires a Maine Certificate of Need ("CON"), which includes hospitals, ambulatory surgical facilities, nursing facilities and others, must comply with the procedural and substantive requirements of the CON law and obtain approval of DHHS, subject to other conditions which may affect the financial viability of the projects. Failure to comply with the CON law can result in refusal to license and concomitant loss of reimbursement from government and private payors. In addition, legislation enacted in 2011 repealed certain aspects of the CON law and changed certain thresholds that trigger CON review. These thresholds for review have increased in recent years via cost-of-living increases. On April 18, 2012, the Governor signed "An Act to Simplify the Certificate of Need Process and Lessen the Regulatory Burden on Providers," which enacted into law several of the changes recommended in the report of a stakeholder group that are intended to speed and simplify the approval process. It is possible that further changes in the CON legislation may impact hospital Institutions, as well as other Health Care Institutions, in their efforts to undertake projects subject to CON review. Maine officials have repeatedly expressed interest in abolishing the State's CON program, and bills that would do so have been introduced in the Maine Legislature, though no bill has succeeded. Enactment of such a law could impact the Health Care Institutions by making it easier for competitors to compete with the Health Care Institutions.

Regulatory and Reimbursement Environment for Community Health and Social Services Facilities

Community health and social services facilities include a variety of organizations that provide various types of outpatient services including preventive care, primary care services, home health services, mental health, mental retardation services, and behavioral health and substance abuse treatment and prevention services. The facilities are subject to regulation by DHHS. Certain facilities providing preventive and primary care may not be licensed by the State, but may be certified and regulated under federal law as rural health clinics if they are located in a qualifying rural shortage area and meet other criteria set forth in federal regulations. Thus, depending on the services provided, a community health or social services facility may be subject to licensure and regulatory control by one or more state or federal agencies. In general, the operation of community health and social services facilities is extensively governed by various regulatory requirements of DHHS. Licensure and certification rules and requirements are generally designed to establish quality care standards for the facilities and to establish standards for recipients of services from the facilities. Compliance with state regulations requires significant effort and expense on behalf of the community health or social services facilities. In light of this significant effort and expense, there can be no assurance that the community health and social services facilities will be able to maintain the necessary licenses or certifications in the future. Also, there can be no assurance that in the future rules will not change, requiring these facilities to spend significant sums in order to comply with the changes.

The State regulations governing community health and social services facilities that are either boarding care facilities or intermediate care facilities are similar to those for nursing homes, and, as with nursing homes, compliance with such State regulations requires significant effort and expense on behalf of the Institutions providing such facilities. There can be no assurance that the boarding care facility or intermediate care facility Institutions will be able to maintain the necessary DHHS licenses in the future, or will not be required to spend significant sums in order to maintain their licenses.

Successful operation of all of these various kinds of facilities is substantially dependent upon Medicaid funding. No assurance can be given that certain costs will not be disallowed with an attendant reduction in reimbursement. An audit could result in the Health Care Institutions being required to refund Medicaid reimbursements previously received or could result in the Health Care Institutions receiving additional revenues. The Health Care Institutions must continue to be able to attract an adequate number of patients to obtain the necessary Medicaid reimbursement. Demographic changes and competition from other kinds of facilities could hamper the ability of the Institutions to obtain or maintain satisfactory occupancy ratios.

In addition, as is the case with other health care providers, the State must administer its programs in accordance with federal regulations in order to receive partial reimbursement from the federal government for the cost of its Medicaid program, and the State depends heavily on the availability of federal funding at the current percentage of total costs. Any federal action reducing funding for the State Medicaid program would probably have a material adverse effect upon participating Health Care Institutions.

The community health and social services facilities Institutions which receive a substantial portion of their funding from Medicaid are reimbursed for services on a wide variety of bases often including allowable costs subject to various limitations, constraints and annual audits. Certain services may be limited to fee schedules that do not reflect the full costs of operation. Medicaid reimbursement is based on various program-specific rules establishing principles of reimbursement for each of the services rendered or kinds of facilities involved.

Another significant source of funding for some of the community health and social service facilities Institutions are contracts with DHHS. The contracts specify the extent and nature of services to be provided, the financial terms of the agreement, and legal and regulatory requirements. Funds from the contracts are paid to the Health Care Institutions in installments throughout the year and the Health Care Institutions receiving such funds are required to submit quarterly reports covering program performances and financial statements. Contracts must be renegotiated and are put out to bid intermittently. Some services are provided by private non-medical institutions ("PNMIs") under contract with DHHS but paid for by Medicaid or by DHHS with solely state funds under various reimbursement mechanisms.

PNMIs are defined as an agency or facility that is not, as a matter of regular business, a health insuring organization, hospital, nursing home, or a community health care center, that provides food, shelter, and treatment services to residents in single or multiple facilities. PNMIs must be licensed by DHHS or must meet comparable licensure standards and requirements and staffing patterns as determined by DHHS. The future viability of PNMIs is in question due to ongoing concerns of CMS about Maine's PNMI program. In August 2011, CMS expressed concern that some PNMI programs met the definition of an institute for mental disease ("IMD"). IMDs are not reimbursed through the Medicaid program. In response to CMS concerns, DHHS made changes to the program and ceased requesting federal reimbursement for services provided in certain facilities. DHHS stated that it was exploring with providers and consumers all options related to the restructure of the PNMI model in light of ongoing concerns expressed by CMS. On January 9, 2013, DHHS issued a memorandum notifying PNMIs that, as a result of working with CMS, significant changes to reimbursement would be made for over 6,000 Medicaid members in more than 400 PNMI locations. Further communications setting forth the nature or timing of such changes have not been forthcoming.

In 2019, DHHS and MaineCare launched a rate system analysis to document the history of its rate changes and methodologies and compare rates to other Medicaid, Medicare, and commercial insurance payers. As a result of this rate review, on February 28, 2022, DHHS issued updated MaineCare payment rates for nursing facilities and PNMI. On July 1, 2024, DHHS increased reimbursement rates for Federally Qualified Health Centers through a cost-of-living adjustment using the FQHC Market Basket percentage as published by CMS. Historically, reimbursement for all Medicaid funded programs is under pressure, and many programs are experiencing funding cuts or caps on annual, daily or hourly rates or other limits that will cap or reduce reimbursement. Reimbursement has also been reduced or proposed to be eliminated or reduced for a wide range of services or providers and eligibility criteria has been modified, any of which may affect the Health Care Institutions, including pharmacy providers, providers of services to the developmentally disabled and certain rehabilitation, community support, and early intervention services.

Maine continues to experience budgetary shortfalls. Predictions about the existence and amount of any budgetary shortfalls in the future vary widely and will be affected by revenue projections, current Medicaid funding and budget decisions. Such events will place continuing and increasing pressure on

governmental programs, including Medicaid reimbursement for community health and social services facilities.

As with all Health Care Institutions, there are a number of other health and safety regulations and statutes applying to the community health and social services facilities which are enforced by various State agencies. Violation of licensure or health and safety standards could result in closure or an order requiring immediate compliance with the standards. Such standards are subject to change, and there can be no assurance that in the future the community health and social services facilities Institutions will meet the changed standards or that the Institutions will not be required to spend significant sums in order to comply with the changed standards.

Demographic changes and competition from other community health and social services facilities or other health care providers could hamper the ability of such Institutions to obtain or maintain satisfactory patient bases.

Another significant source of funding for certain community health and social services facilities may be grants and contracts with various state and federal agencies. The contracts specify the extent and nature of services to be provided, the financial terms of the agreement, and legal and regulatory requirements. Funds from the contracts are paid to such facilities in installments throughout the year and the Health Care Institutions receiving such funds are generally required to submit reports covering program performances and financial statements. Contracts must be renegotiated and are put out to bid intermittently. Grants also have to be obtained and renewed intermittently.

Insurers and third party payors may be other sources of funding for certain community health and social service facilities. As managed care contracting, whereby payors for health care services contract with health care providers including community health and social services facilities for the purpose of reducing costs, becomes more prevalent in the State, Institutions providing community health and social services facilities may be exposed to further reductions in revenues as well as increased financial risks.

The Regulatory Environment for Continuing Care Retirement Communities

The Continuing Care Retirement Communities Act (the "CCRCA") was enacted by the Maine Legislature to afford consumer protection in retirement communities which offer continuing care. Under the CCRCA, "continuing care" means "furnishing shelter for the life of the individual or for a period in excess of one year and either health care, supportive services, or both, under an agreement requiring prepayment as defined in the CCRCA, whether or not the shelter and services are provided at the same location, to 3 or more older individuals not related by blood or marriage to the providers." A continuing care retirement community ("CCRC") is licensed and regulated by the Maine Bureau of Insurance. In addition, to the extent health care will be delivered, a CCRC provider must be a health care provider licensed by DHHS and obtain a CON if required under State law.

Under the CCRCA, there are two types of CCRC's based on certificates of authority issued by the Bureau of Insurance. The first is a certification as a life-care community in which the provider expressly provides in a written agreement (1) full and lifetime prepaid health care, prepaid supportive services and shelter, which includes a true continuum of care from independent living through nursing home care, (2) a maintenance fee that may not increase regardless of the level of services provided except for annual increases in the maintenance fee applicable to all subscribers and increases in the maintenance fee to specific subscribers resulting from the voluntary selection of optional services by such subscriber, (3) except for maintenance and insurance premiums, neither the subscriber nor any third party is liable for the cost of health care or supportive services, and (4) the provider provides full and lifetime health care and supportive services and shelter without diminution to a subscriber who has not intentionally depleted that

subscriber's resources. A second CCRC certification is available for those providers who fall within the jurisdiction of the CCRCA but do not meet each of the criteria of a certified life-care community.

A CCRC provider may not advertise, solicit, or collect deposits from potential subscribers until it has received a preliminary certificate of authority from the Superintendent of Insurance. Deposits cannot be less than 10 percent nor more than 50 percent of the entrance fee. A CCRC may, however, engage in preliminary marketing upon written approval of the Superintendent of Insurance. Preliminary marketing under the CCRCA consists of (1) advertising of a proposed facility; (2) entering reservation agreements which may be cancelled at the option of either the prospective subscriber or the prospective provider; (3) soliciting, collecting or receiving reservation fees, which (a) do not exceed $1,000 per prospective resident and are deposited in an interest bearing escrow account with the interest accruing for the benefit of the prospective resident; (b) are refundable upon the request of the prospective subscriber; and (c) are not considered deposits for purposes of the CCRCA; and (4) the construction and maintaining of a sales office and model units. The "entrance fee" under the CCRCA means "an initial payment of a sum of money or any other consideration that assures a subscriber a place in a facility for a term of years or for life." An accommodation fee, admission fee, entrance fee or other fee of similar form and application, even if refundable in whole or in part at the termination of the subscriber's contract, is considered to be an "entrance fee." The purchase price of a condominium or a share or shares of membership in a housing cooperative are not considered an entrance fee under the CCRCA. It is the payment of an entrance fee under the CCRCA which meets the criteria of prepayment under the definition of continuing care for determining the jurisdiction of the CCRCA. The CCRCA establishes specific rules and regulations for refunding entrance fees, preliminary marketing, disclosure prospectuses, disclosure of names and addresses of stockholders, directors and officers, subscriber rights and subscriber participation in policy matters of the CCRC's. The CCRCA also requires that a CCRC provider establish and maintain reserves for mortgage debt, operating funds, potential liabilities based on actuarial value and such other standards as determined by the Superintendent of Insurance. Finally, the CCRCA provides that residents of a CCRC have (1) the right to self-organize, (2) the right to be represented by individuals of their own choice, (3) the right to engage in concerted activities for their own purposes, (4) the right to individually and severally obtain outside advice, consultation and services, including medical, legal and financial matters, and (5) the right to independence, dignity, individuality, privacy, choice and a home like environment.

As with Health Care Institutions, CCRC's are subject to a number of health and safety regulations, financial requirements and disclosure requirements which are enforced by various state agencies. For violations of the CCRCA by CCRC providers, the Superintendent of Insurance has the authority to seek cease and desist orders, impose civil penalties and seek other remedies available under applicable law. Further, the Superintendent must examine the affairs of a CCRC provider not less than once every three years, and as often as it deems necessary to protect the interest of the subscribers. Violation of agency regulations could result in the closing of the CCRC or in orders requiring immediate compliance with applicable standards. Further, such standards are subject to change, and there can be no assurance that in the future a CCRC will meet the changed standards or that CCRC's will not be required to spend significant sums in order to comply with the changed standards.

BONDHOLDERS' RISKS

The discussion herein of risks that could affect payments to be made by the Series 2025A Institutions with respect to the Series 2025A Bonds is not intended to be comprehensive or definitive, but rather is intended to summarize certain matters that could affect the ability of the Institution to make such payments.

General

The Series 2025A Bonds are payable solely from and secured by funds available therefor under the Bond Indenture, including payments made pursuant to the Loan Agreements and funds transferred from the Reserve Fund and the General Fund established under the Reserve Fund Resolution. No representation or assurance can be given that the Series 2025A Institutions will generate sufficient revenues to meet their obligations under the Series 2025A Loan Agreements, or that other Institutions will generate sufficient revenues to meet their obligations under their Loan Agreements relating to Bonds secured by the Reserve Fund on a parity with the Series 2025A Bonds. In addition to the risks described below under "Risks of Infectious Disease Outbreaks," an Institution's ability to pay its obligations under its Loan Agreement could be adversely affected by (i) with respect to the Health Care Institutions, future legislation, regulatory actions, economic conditions, changes in the demand for services, physicians' confidence in the Health Care Institutions, third party reimbursement (especially Medicaid, in light of recent and predicted State budgetary shortfalls), the Health Care Institutions' ability to control expenses and maintain relationships with health maintenance organizations ("HMO's") and preferred provider organizations ("PPO's"), competition, rates, costs or other factors and (ii) with respect to the educational Institutions, economic conditions, demographic trends, availability of financial aid, changes in demand for services, competition, the Institution's ability to control expenses and costs or other factors.

Risks of Infectious Disease Outbreaks

The Institutions, including the Series 2025A Institutions, were materially adversely impacted by the national and localized outbreaks of the highly contagious COVID-19 disease. Emergency protocols implemented by federal, state, local and Institution officials in response to the pandemic adversely affected the normal operations and the financial performance of the Institutions, including the temporary closure of certain Institution facilities, such as colleges and universities, and the temporary repurposing of certain hospital facilities to treat COVID-19 patients. In addition, senior long-term care facilities were particularly vulnerable to outbreaks of COVID-19. The treatment of patients with COVID-19 at the facilities of many of the Health Care Institutions resulted in decreased revenues and increased expenses due to longer patient stays, reduced reimbursement rates, the diversion of patients unaffected by the virus, supply chain delays, transmission of the virus to workforce personnel and overburdening of facilities. The decision by unaffected individuals to defer elective procedures or otherwise avoid medical treatment resulted in reduced patient volumes and operating revenues at certain of the Institutions.

Further, the temporary closure of campuses by colleges and universities and the move to remote or hybrid learning resulted in loss of revenue due to partial reimbursements for room and board fees and lack of ancillary revenues from athletic programs, among other factors. If a new pandemic were to occur in the future, the uncertainty about the duration of the pandemic and the additional cost to higher education Institutions to operate in a safe manner may adversely impact the current and future budgets of such Institutions.

Federal, State, and local initiatives provided economic resources to certain Institutions during the pandemic. Specifically, the federal Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act"), which then President Trump signed into law on March 27, 2020, dedicated general assistance dollars

to state and local governments to mitigate or respond to the public health emergency by creating the Coronavirus Relief Fund. Maine received $1.25 billion under the Coronavirus Relief Fund and distributed these funds to businesses, schools, health providers, and municipal and state government entities. The CARES Act also established the Provider Relief Fund, under which USDHHS distributes financial relief directly to eligible health providers during the pandemic. States continue to support Institutions in their continued recovery from the pandemic. In April 2023, Governor Mills' administration issued $25 million in COVID-19 supplemental payments to 129 long-term care organizations.

The extent to which federal and state emergency funding and business interruption insurance would be available in connection with pandemic-related circumstances is dependent on the specific facts of the events, and there can be no assurance that adequate supplemental funding or business interruption insurance coverage would be available to fully mitigate losses.

On May 11, 2023, the federal Public Health Emergency for COVID-19 expired. Any future outbreaks similar to COVID-19, however, may materially adversely affect the financial performance and operations of the Institutions, the extent of which depends on the magnitude and duration of any such pandemic and cannot be predicted.

Enforceability of Master Indentures and Other Risks Related to Master Indenture Financings

The state of insolvency, fraudulent conveyance and bankruptcy laws relating to the enforceability of guaranties or obligations issued by a corporation in favor of the creditors of another, or the obligation of a member of an obligated group to make debt service payments on behalf of another member of such obligated group, is unsettled. The ability to enforce a master indenture or any obligations against any member of the obligated group which would be rendered insolvent thereby could be subject to challenge. A member of the obligated group may not be required to make any payment or to provide for the payment of any obligations, or portion thereof, the proceeds of which were not loaned or otherwise disbursed to such member of the obligated group, to the extent that such transfer would render the member of the obligated group insolvent or which would conflict with, not be permitted by or is subject to recovery for the benefit of other creditors of such member of the obligated group under applicable laws. In particular, such obligations may be voidable under the United States Bankruptcy Code and the Maine fraudulent conveyance statute if the obligation is incurred without "fair", "valuable" or "fairly equivalent" consideration to the obligor and if the incurrence of the obligation thereby renders a member of the obligated group insolvent. The standards for determining the fairness or value of consideration and the manner of determining insolvency may vary under the United States Bankruptcy Code, state fraudulent conveyance statutes and applicable judicial decisions. There is no clear precedent in the law as to whether such payments from a member of the obligated group in order to pay debt service on an obligation may be voided by a trustee in bankruptcy in the event of bankruptcy of the member of the obligated group, or by third-party creditors in an action brought pursuant to state fraudulent conveyance statutes.

Although a master indenture may permit other persons to become members of the obligated group, the current members might remain the only members of the obligated group throughout the term of the Series 2025A Bonds. Also, since it is not known which entities, if any, may become additional members of the obligated group, it is unknown what risks the addition of such entities to the obligated group, in light of their financial condition and the nature of their businesses, may present to the Holders of the Series 2025A Bonds. In addition, members may be permitted to withdraw from the obligated group, and be released from all obligations previously incurred by the obligated group, if certain conditions are met.

The obligations of the members of any obligated group will be limited to the same extent as the obligations of debtors typically are affected by bankruptcy, insolvency, fraudulent conveyance and other laws affecting creditors' rights generally and the application of general principles of creditors' rights and other debtor relief laws and as additionally described below.

Risk Factors Affecting Educational Institutions

In addition to the risks described above under "Risks of Infectious Disease Outbreaks," in the future, the following factors, among others, may adversely affect the operations of educational Institutions to an extent that cannot be determined at this time:

(1) Decreases in population and demographic changes resulting in a reduced demand for the educational opportunities offered by educational Institutions.

(2) Adverse economic conditions resulting in decreased enrollment due to students' inability to pay the cost of tuition.

(3) Reduced availability of or inability to match competitive increases in financial assistance for the payment of tuition.

(4) Competition from public educational institutions and nontraditional educational sources in the ability to attract and retain students.

(5) Decreases in gifts and bequests from alumni resulting from a downturn in economic conditions or adverse publicity or for other reasons.

(6) Decreases in endowment levels due to poor investment returns.

(7) Developments affecting the federal or state tax-exempt status of nonprofit organizations or the municipal real estate tax exemption applicable to nonprofit organizations, including the possibility of the imposition of a municipal service fee in lieu of taxes.

(8) Employee strikes and other adverse labor actions that could result in a substantial reduction in revenues without corresponding decreases in costs.

(9) Lack of demand for on-campus housing at the educational Institutions.

(10) Student loan funds or other aid that permits many students the opportunity to pursue higher education are decreased, the interest rate on such funding is increased or such funding is subjected to increased regulation.

(11) The occurrence of natural disasters, including floods and hurricanes and pandemics and similar events, and potential impacts of climate change, which might damage the facilities of the educational Institutions, interrupt service to such facilities or otherwise impair the operation and ability of such facilities to produce revenue.

Factors That Could Affect the Future Financial Condition of the Health Care Institutions

In addition to the risks described above under "Risks of Infectious Disease Outbreaks," the future financial condition of the Health Care Institutions could be adversely affected by legislation, regulatory actions, increased competition from other health care providers, third party reimbursement, especially Medicaid in light of recent and predicted State budgetary shortfalls, demand for health care services, demographic changes, malpractice claims and other litigation and other factors, including the following:

Federal Legislation. The increasing cost of health care and concerns about the quality of and access to the health care system are issues which continue to receive a great deal of attention at the federal level. In light of these concerns, legislation may be enacted which could result in limitations on hospital or nursing

facility revenues, third-party payments and costs or charges or which could require an increase in the quantity of indigent care required to maintain the Institution's tax-exempt status or could eliminate such status altogether regardless of the level of indigent care. It is impossible to predict the content or impact of any future legislation, regulations and government policies on the hospitals and nursing facilities but it is possible that fundamental changes in the health care delivery and financing system could result from legislative enactments.

Government revenue sources are subject to statutory and regulatory changes, administrative rulings, interpretations of policy, determinations by fiscal intermediaries and government funding restrictions, all of which may materially increase or decrease the rates of payment and cash flow to the Health Care Institutions. There is no assurance that payments made under such programs will remain at levels comparable to the present levels or be sufficient to cover all operating and fixed costs. Legislative proposals to reduce or contain Medicare and Medicaid spending are frequently made in Congress, often as part of larger federal spending or cost containment proposals. Similar proposals are likely in the future.

Maine Legislation and Rules. In recent years, proposals to control or reduce Medicaid spending, or to reallocate Medicaid spending from services provided by the Health Care Institutions to less expensive health care providers, have been studied by or been introduced in the Maine Legislature, and in some cases enacted into law. In addition, the financial operations of the Health Care Institutions were closely regulated by the State in the past and may, sometime in the future, again be closely regulated by the State. As a result of significant budgetary pressure, there continue to be legislative and rulemaking proposals to control and reduce benefits and Medicaid reimbursement to the Health Care Institutions. The Health Care Institutions are unable to predict the negative effects, if any, on operations that may be caused by changes in legislation, rules or both.

Regulatory and Contractual Actions that Could Affect the Health Care Institutions. The Health Care Institutions are subject to regulatory actions and policy or contractual changes by those governmental and private agencies that administer the Medicare and Medicaid programs and actions by, among others, the National Labor Relations Board, applicable professional review organizations, The Joint Commission, and the various federal, state and local health planning agencies.

On June 28, 2024, the Supreme Court overturned the *Chevron* doctrine in *Loper Bright Enterprises v. Raimondo*. Previously, the doctrine required courts to defer to administrative agencies' interpretations of ambiguous statutes. Now courts must exercise independent judgment when reviewing agency regulations and interpretations except in instances of express delegation. Because the healthcare industry is highly regulated, the Supreme Court's decision will likely impact Health Care Institutions. Such impacts may include legal challenges against new HHS regulations, challenges to CMS reimbursement rules, slower rulemaking, and inconsistent rulings across different courts. The extent of the impact is impossible to predict at this time.

Policy or contractual changes may also be imposed by various private insurers and health benefit programs, especially in light of the Affordable Care Act. Managed care contracting between Health Care Institutions and third-party payors, whereby payors for health services contract with Health Care Institutions or become involved with the provision of health care services for the purpose of reducing costs, is becoming more prevalent in Maine and may result in decreased revenues and increased financial risks for Health Care Institutions. It is not possible to know the content of any private contracts that exist between these non-governmental payors and the Health Care Institutions. Additionally, it is not possible to predict the effects that the Affordable Care Act or some other future change in the health care regulatory environment may have on non-governmental payors and any private contracts that exist between non-governmental payors and the Health Care Institutions.

Consumer directed health plans involve a high deductible health plan, coupled with a tax-advantaged personal health spending account such as health savings accounts (HSAs), flexible spending accounts (FSAs), health reimbursement arrangement ("HRA"), or medical savings accounts (MSAs). Enrollees are responsible for the deductibles, and the personal health spending account provides a source of funding that can be used to pay the deductibles in the event the enrollee incurs medical expenses.

Although the potential for increased bad debt and charity care exists with any high deductible insurance product, because this product is fairly new to the marketplace, its impact on the Institutions, if any, is currently unknown.

Factors That Could Result in Increased Competition. The Health Care Institutions could face increased competition in the future from other hospitals and skilled nursing facilities and from other health care providers that could offer comparable health care services to the population which the Health Care Institutions presently serve. This competition could include the establishment, construction or renovation of hospitals, skilled nursing facilities, ambulatory surgical centers, private laboratories, and radiological services.

The Health Care Institutions which provide nursing home services could face increased competition in the future from other nursing facilities, assisted living facilities and home health agencies that could offer comparable services to the population which such Health Care Institutions presently serve. This competition could include the establishment, construction or renovation of nursing facilities and boarding facilities and the establishment and growth of existing home health agencies. DHHS has encouraged and solicited the construction or conversion of additional assisted living beds and other facilities viewed as lower-cost alternatives to nursing facility services for some persons requiring long-term health care.

Insurers also continue to encourage competition among hospitals and other providers on the basis of price and payment terms. To some degree, payers have used the threat of patient steerage, carve-outs of certain services, and network exclusion to drive provider prices lower. Insurers are also introducing network products that segregate hospitals and other providers into tiers that are based in part on the relative costs and quality of the providers and that provide financial incentives to subscribers who use the services of providers in the less costly and higher quality tiers. This may lead to increased competition among hospitals based on price.

There are many limitations on the ability of the Health Care Institutions to increase volume and control costs, and there can be no assurance that volume increases or expense reductions needed to maintain the financial stability of the Health Care Institutions will occur.

A number of third-party payors, including Medicare, have formulated and continue to formulate reimbursement mechanisms whereby a hospital and its associated physicians and other providers, as an ACO, will assume some degree of financial risk for the cost-effective delivery of health care services to a defined population. No assurance can be given that the Health Care Institutions will be able to successfully structure an ACO in a manner that results in positive financial performance.

Other Risk Factors. In the future, the following factors, among others, may adversely affect the operations of the Health Care Institutions to an extent that cannot be determined at this time:

(1) Adoption of legislation which would establish a State or a national health program or special programs of care for the uninsured.

(2) (a) Unionization, employee strikes and other adverse labor actions that could result in a substantial reduction in revenues without corresponding decreases in costs or (b) shortages of physicians,

nurses or other qualified personnel that limit the availability of needed services and require hospitals to use more costly contract labor.

(3) Reduced need for services arising from future medical and scientific advances.

(4) Reduced need for hospital services as a result of medical and technological changes which allow equivalent care to be provided in non-hospital settings.

(5) Reduced demand for the services of the hospitals that might result from decreases in population.

(6) Increased unemployment or other adverse economic conditions in the service area of the hospitals which would increase the proportion of patients who are unable to pay fully for the cost of their care. In addition, increased unemployment caused by a general downturn in the economy of the service area or by the closing of operations of one or more major employers in the service area may result in a loss of Blue Cross/Blue Shield or other private health insurance benefits.

(7) Declines in financial position or fund balance due to poor investment returns.

(8) Any increase in the quantity of indigent care provided.

(9) Efforts by insurers and governmental agencies to limit the cost of hospital services, to reduce the number of beds and to reduce the utilization of the hospitals by such means as preventive medicine, improved occupational health and safety and outpatient care.

(10) Developments affecting the federal or state tax-exempt status of nonprofit organizations or the municipal real estate tax exemption applicable to nonprofit organizations, including the possibility of the imposition of a municipal service fee in lieu of taxes.

(11) Changes in tax, pension, social security or other laws affecting the position of healthcare and other services to the elderly.

Legislative, Regulatory and Contractual Matters Affecting Revenues

The health care industry is heavily regulated by federal and state governments and is dependent on governmental sources for a substantial portion of revenues. Governmental revenue sources are subject to statutory and regulatory changes, administrative rulings, interpretations of policy, determinations by Medicare Administrative Contractors (i.e., the non-governmental organizations or agencies that contract with the federal government to process Medicare claims) and government funding restrictions, all of which may materially increase or decrease the rates of payment and cash flow to providers of health care services. In the past, there have been frequent and significant changes in the methods and standards used by government agencies to reimburse and regulate the operations of providers. Many of these changes are implemented retroactively, resulting in significant prior year adjustments. There is reason to believe that substantial additional changes will occur in the future.

Legislation is periodically introduced in Congress and in the State Legislature that could result in reductions in provider revenues, third-party payments, and costs or charges, or that could result in increased competition or an increase in the level of indigent care required to maintain tax-exempt status. No assurance can be given that payments made under such programs will remain at levels comparable to the present levels or be sufficient to cover all existing costs. While changes are anticipated, the impact of such changes on the Health Care Institutions cannot be predicted.

From time to time, legislative proposals are made at the federal and state level to engage in broader reform of the health care industry, including proposals to promote competition in the health care industry, to contain health care costs, to provide national health insurance, to impose additional requirements for hospitals to qualify for tax exempt status, and to impose additional requirements and restrictions on health care insurers, providers, and other health care entities. The effects of future reform efforts on the Health Care Institutions cannot be predicted.

The Health Care Institutions are also subject to regulatory and administrative actions by CMS and USDHHS (the administrators of the Medicare and Medicaid programs, respectively) and other federal, state, and local government agencies. In addition, the Health Care Institutions and certain of the services and educational programs which they offer are subject to accreditation by The Joint Commission and other entities. There can be no assurance that a challenge or investigation will not occur in the future. An adverse finding by one or more of the said organizations could materially adversely affect future operations or revenue of the Health Care Institutions.

Renewal and continuation of the operating licenses, certifications, and accreditations of the Health Care Institutions are based on inspections, surveys, investigations and other reviews, some of which may require or include affirmative action or response by the Health Care Institutions. These activities are conducted in the normal course of business of health care facilities, both in connection with periodic renewals and in response to specific complaints, which may be made to governmental agencies, private agencies, or the media by patients, ombudsmen, or employees, among others.

The Health Care Institutions receive, from time to time, subpoenas, civil investigatory demands, and other formal inquiries from state and federal governmental agencies or investigators. It is often impossible to determine the specific nature of the investigation or whether the Health Care Institutions might have any potential liability under a cause of action that might subsequently be asserted by the government. Moreover, the Health Care Institutions are generally not informed when such investigations are resolved without the assertion of any claims. Such investigations are a routine part of operations in the current health care climate and may continue in the future.

Federal and State "Fraud and Abuse" Laws and Regulations

There is an expanding and complex body of laws, regulations and policies relating to federal and state health programs that are not directly related to payment. These include reporting and other technical rules, as well as broadly stated prohibitions regarding inducements for referrals, all of which carry potentially significant penalties for noncompliance. The prohibitions on inducements for referrals are so broadly drafted (and so broadly interpreted by several applicable federal cases and in statements by OIG officials) that they may create liability in connection with a wide variety of business transactions. These laws apply to a variety of cases where hospitals and physicians conduct joint business activities, such as practice purchases, physician recruiting and retention programs, various forms of hospital assistance to individual physicians, medical practices or physician contracting entities, physician referral services, hospital-physician service or management contracts, and space or equipment rentals between hospitals and physicians.

One of the broadest prohibitions is the Federal Medicare/Medicaid Anti-Fraud and Abuse Amendments to the Social Security Act (the "Anti-Kickback Statute"), which makes it a criminal felony offense to knowingly and willfully offer, pay, solicit or receive remuneration in return for or to induce, business that may be paid for, in whole or in part, under a federal health care program including, but not limited to, the Medicare or Medicaid programs. Under the Affordable Care Act, a violation of the Anti-Kickback Statute is deemed to be a violation of the federal False Claims Act. "Safe harbor" regulations, published by the OIG, provide defenses from prosecution or administrative enforcement action for a limited scope of arrangements. The safe harbors described in the most recently promulgated Anti-Kickback Statute

Final Rule, which went into effect January 19, 2021, are narrow and do not cover a wide range of economic relations that many hospitals, physicians and other health care providers consider to be legitimate business arrangements. However, failure to satisfy the conditions of a safe harbor does not necessarily indicate a violation of the applicable statute.

Health Care Institutions may have certain relationships with physicians and other referral sources that do not necessarily meet all of the requirements of applicable safe harbors. In light of the narrowness of the safe harbor regulations and the scarcity of case law interpreting the Anti-Kickback Statute, there can be no assurance that the Health Care Institutions will not be found to have violated the Anti-Kickback Statute, and if so, that any sanction imposed would not have a material adverse effect on the operations or the financial condition of the Health Care Institutions.

In addition, Maine has a Medicaid anti-kickback statute. Unlike the federal statute, the Maine anti-kickback statutes lack an intent requirement and do not incorporate safe harbor provisions. Violations of the Maine anti-kickback statutes may result in criminal and/or civil penalties. Considering the lack of available defenses and general applicability, there can be no assurance that a third party reviewing such arrangements would not find a violation, and such a finding could have a material and adverse effect on the Health Care Institutions.

Federal and State False Claims Acts

The federal False Claims Act is another broad statute that the government often utilizes in fighting fraud and abuse. In a health care context, the most commonly used provisions under the False Claims Act prohibit a person from "knowingly" presenting or causing to be presented a false or fraudulent claim for payment or approval to the federal government and from "knowingly" making, using, or causing to be made a false record or statement to get a false or fraudulent claim paid or approved by the federal government. These prohibitions extend to claims submitted to federal health care programs, including, but not limited to, Medicare or Medicaid.

The False Claims Act broadly defines the terms "knowing" and "knowingly." Specifically, knowledge will have been proven for purposes of the False Claims Act if the person: (1) has actual knowledge of the information; (2) acts in deliberate ignorance of the truth or falsity of the information; or (3) acts in reckless disregard of the truth or falsity of the information. Moreover, the statute specifically provides that a specific intent to defraud is not required in order to prove that the law has been violated.

The Affordable Care Act and regulations promulgated thereunder obligate healthcare entities receiving payment from governmental health programs to identify and return overpayments made in error or as a result of improper claim submissions by the later of 60 days after the date on which the overpayment was identified, or the date any corresponding cost report is due, if applicable. Overpayments can result from, among other circumstances, errors attributable to Medicare contractors or providers and from receipt of payment for claims arising from violations of other health law fraud and abuse laws. Providers are required to exercise "reasonable diligence" by undertaking proactive compliance activities to monitor claims and by performing reactive investigations after receiving "credible information about a potential overpayment." If an overpayment is identified, a provider is required to "look back" six years to identify and return similar overpayments that may have been received during that extended time period. Failure to adhere to the foregoing requirements represents a "knowing" failure to report and return an overpayment and constitutes a violation of the False Claims Act.

Private individuals may also bring suit under the qui tam provisions of the False Claims Act and may be eligible for incentive payments for providing information that leads to recoveries or sanctions that arise in a variety of contexts in which hospitals and health care providers operate.

Additionally, Maine has a Medicaid False Claims Act that makes it a criminal violation for any person to "knowingly and willfully make or cause to be made any false statement or representation of a material fact in any application" for a Medicaid benefit. The Maine Attorney General may also seek civil remedies for violations of this law.

The Health Care Institutions conduct a variety of activities that pose varying degrees of risk under the federal and state False Claims Acts, and other fraud and abuse laws, rules, and regulations. There can be no assurance that a reviewing third party would not find some violation of the fraud and abuse laws that would justify the bringing of a federal or state False Claims Act suit. Such actions, if they result in an adverse outcome, could have a materially adverse effect on the Health Care Institutions.

Limitations on Certain Arrangements Imposed by Federal Ethics in Patient Referrals Act

The Federal Ethics in Patient Referrals Act (commonly known as the "Stark Law") prohibits a physician (or an immediate family member of such physician) with a financial relationship with an entity from referring a Medicare or Medicaid patient to such entity for the furnishing of certain designated health services and prohibits such entity from presenting or causing to be presented a claim for payment under the Medicare or Medicaid program for designated health services furnished pursuant to a prohibited referral. The designated health services subject to these prohibitions are clinical laboratory services, physical and occupational therapy services, radiology services (including magnetic resonance imaging, computerized tomography, and ultrasound), radiation therapy services, durable medical equipment, parenteral and enteral nutrients (including equipment and supplies), orthotic and prosthetic devices, speech language pathology, home health services, outpatient prescription drugs and inpatient and outpatient hospital services.

A financial relationship for purposes of the Stark Law is defined as either an ownership or investment interest in the entity or a compensation arrangement with the entity. An ownership or investment interest may be through equity, debt, or other means and includes an interest in an entity that holds an ownership or investment interest in an entity providing the designated health services.

The Stark Law and regulations provide certain exceptions to these restrictions. CMS promulgated Stark regulations, effective January 19, 2021, that clarify existing exceptions and also create new exceptions for certain value-based arrangements. Unlike the Anti-Kickback Statute's safe harbors discussed above (where the failure to meet a safe harbor does not necessarily mean the referral is prohibited), failure to satisfy an exception to the Stark provisions means that the referral itself is prohibited, and that the entity receiving the referral is prohibited from seeking payment for such service.

Violations of the Stark Law can result in denial of payment, substantial civil monetary penalties, and exclusion from the Medicare and Medicaid programs. In certain circumstances, knowing violations may also create liability under the False Claims Act.

The Stark Law is a strict liability statute. Intent behind violations does not matter and even technical violations can result in harsh penalties. As required under the Affordable Care Act, CMS released a protocol under which health care providers can make self-disclosures of actual and potential Stark violations, with reduced penalties for self-disclosure violations. There can be no assurance that a third party reviewing the financial relationships between any Health Care Institution and referring physicians would find full compliance. The failure of arrangements between the Health Care Institutions and a referring physician to fall within one or more of the exceptions could have a materially adverse effect on the Health Care Institutions.

OIG Compliance Guidelines

The OIG has encouraged all health care providers to adopt and implement programs to promote compliance with federal and state laws, including the False Claims Act, the Anti-Kickback Statute, and the Stark Law. In 1998, the OIG published Compliance Program Guidance ("CPG") for the hospital industry. In recognition of the significant changes in the delivery and reimbursement for hospital services that have occurred since the CPG's publication, the OIG published Supplemental Compliance Program Guidance on January 31, 2005. These Publications (collectively, the "Guidances") provide recommendations to hospitals for adopting and implementing effective programs to promote compliance with applicable federal and state law and the program requirements of federal, state, and private health plans, and they include a discussion of significant risk areas for hospitals. In April 2023, OIG announced plans to update existing CPGs and deliver new CPGs for specific sectors of the health care industry. OIG issued its first Industry-Specific Compliance Program Guide ("ICPG") addressing nursing facilities on November 20, 2024. OIG anticipates releasing three industry-specific ICPGs in 2025 to address Medicare Advantage, hospitals, and clinical laboratories. Compliance with the Guidances is voluntary but is nevertheless an important factor in controlling risk because an effective compliance program promotes compliance so that future issues can be prevented or identified, reported, and corrected. However, the presence of a compliance program is not an assurance that a health care provider will not be investigated by one or more federal or state agencies that enforce health care fraud and abuse laws or that it will not be required to make repayments to various health care insurers (including the Medicare and/or Medicaid programs).

Health Insurance Portability and Accountability Act

Congress enacted The Health Insurance Portability and Accountability Act of 1996 ("HIPAA") to mandate portability of health insurance and protect the use and disclosure of personal health information. Congress also included in HIPAA certain "administrative simplification" provisions intended to reduce the administrative costs of processing health care payments by encouraging the electronic exchange of health information and the use of standardized formats for health care claims and other transactions. The Health Information Technology for Economic and Clinical Health ("HITECH") Act of 2009 and associated regulations amended HIPAA, expanding the accountability and responsibilities of Business Associates (as defined under HIPAA) with respect to the safeguarding of Protected Health Information ("PHI").

HIPAA and its regulations apply to "Covered Entities," including health plans, health care clearinghouses, and those health care providers who electronically conduct certain financial and administrative transactions (e.g., electronic health care claim submissions) and "Business Associates," which is defined broadly as any party that creates, receives, maintains, or transmits PHI (e.g., consultants, clearinghouses, vendors, financial services firms, billing firms, accountants, attorneys, auditors, accreditation organizations, health information organizations, E-prescribing gateways, and management firms), including subcontractors that create, receive, maintain, or transmit information on behalf of a Business Associate. The final privacy regulations now in effect address five basic privacy principles: (1) consumer control over health information, (2) boundaries on patient record use and release, (3) safeguards for personal health information, (4) accountability for patient record use and release, and (5) a balance between public responsibility and privacy protections. The final transaction standards regulations require Covered Entities to conduct certain electronic transactions in compliance with the applicable transactions and code sets standards published by USDHHS, although individual payers are permitted temporarily to accept non-compliant claims. The final security regulations require Covered Entities to safeguard access to PHI by the use of encryption, passwords and other similar measures. Compliance with HIPAA has required changes in information technology platforms, major operational and procedural changes in the handling of data, and vigilance in monitoring of ongoing compliance with the various regulations.

HIPAA also requires that health care providers enter into business associate agreements to assure that contractors and other entities performing activities on their behalf related to treatment, payment, or health care operations protect the privacy and security of patient information.

As noted above, the HIPAA privacy and security regulations were strengthened under HITECH. HITECH expanded certain privacy and security provisions of HIPAA and created new avenues of enforcement, including the ability of state attorneys general to bring HIPAA enforcement actions. HITECH also made Business Associates directly liable for HIPAA security compliance and established breach notification obligations for providers in the event of a breach of unsecured protected health information that creates a risk of harm to individuals.

On December 10, 2020, USDHHS Office for Civil Rights (OCR) issued a Notice of Proposed Rulemaking to modify the HIPAA Privacy Rule, by, among other things, increasing patient access to health information and allowing covered health providers to disclose PHI in certain instances to facilitate care coordination. On April 22, 2024, OCR issued a Final Rule to modify the HIPAA Privacy Rule to strengthen reproductive health care privacy. The final rule prohibits the use or disclosure of PHI to identify, investigate, prosecute, or sue patients, providers and others involved in the provision of legal reproductive health care, including abortion. The prohibition applies when reproductive health care is lawful under the state in which it is provided or the reproductive health care is protected, required, or authorized by Federal law. It is impossible to predict which, if any, of the proposed modifications will be promulgated as final regulations.

In addition, COVID-19 related HIPAA flexibility allowed physicians and other health care providers to use any "non-public facing" (i.e., accessible only to those invited) video conferencing technology, even if it does not meet the usual HIPAA privacy, security, and breach notification rules. This allowed patients and clinicians to connect for telehealth visits via common applications like FaceTime and Facebook Messenger Video. This flexibility resulted in increased patient access, but privacy risks remain. COVID-19 related HIPAA flexibilities expired along with the expiration of the COVID-19 public health emergency on May 11, 2023. Covered health care providers were required to come into compliance with telehealth HIPAA Rules as of August 9, 2023.

Environmental Matters

Health care providers are subject to a wide variety of federal, state, and local environmental and occupational health and safety laws and regulations. These requirements govern medical and toxic or hazardous waste management, air and water quality control, notices to employees and the public and training requirements for employees. Health care organizations such as the Health Care Institutions are subject to potentially material liability for costs of investigating and remedying the release of any such substances either on, or that have migrated from, their properties or for the improper off-site disposal of such substances and the harm to persons or property that such release or disposal may cause.

Malpractice Lawsuits

Although the number of malpractice lawsuits filed against physicians and hospitals has stabilized in recent years, the dollar amounts of patient damage recoveries remain potentially significant. A number of insurance carriers have withdrawn from this segment of the insurance market citing underwriting losses, and premiums have increased sharply in the last several years. The effect of these developments has been to significantly increase the operating costs of hospitals and physicians, including those of the Health Care Institutions.

Professional and General Liability Claims

General-liability, professional-liability (including claims that may arise from medical staff peer review activities), directors' and officers' liability and employment-practices liability insurance are provided for the Health Care Institutions. Claims against health care providers alleging wrongful acts or omissions such as negligence may seek punitive damages in addition to compensatory damages, but insurance usually does not cover judgments for punitive damages. As is the case with most forms of directors' and officers' liability insurance, certain risks and losses of the Health Care Institutions in connection with allegations of mismanagement may not be covered by the insurance provided to the Health Care Institutions. No assurance can be given that the Institutions will continue to maintain in the future the types and coverage amounts currently in place, that the coverage will be sufficient to cover all insurable liability judgments rendered against or settlements entered into by the Health Care Institutions or that adequate coverage will continue to be available at reasonable cost. Any such uninsured losses would be incurred directly by the Health Care Institutions, and such losses, if material, could adversely affect the results of operations and financial condition of the Health Care Institutions.

Risk Factors Affecting Community Health and Social Services Facilities Institutions

In addition to the risks described above under "Risks of Infectious Disease Outbreaks," the future financial condition of Institutions providing community health and social services facilities could be affected by certain events which might include the following:

Maine Legislation and Rules. In recent years, proposals to control or reduce Medicaid spending have been studied by or introduced in, and in some cases enacted by, the Maine Legislature. As the result of significant budgetary pressure, there continue to be legislation and rulemaking proposals to control or reduce Medicaid benefits and reimbursement to Community Health and Social Services Facilities Institutions. It is impossible to predict the negative effects, if any, on operations that may be caused by changes in legislation.

Appropriation and Contract Risk. A large amount of the revenues of the community health and social services facilities are derived from contracts with DHHS. These contracts are funded through appropriation by the Maine Legislature. There is no guarantee that the Maine Legislature will continue to appropriate funds for the DHHS programs at the current level, or that such governmental programs will continue to fund the Institutions' programs at their current level. There is continuing budgetary pressure to cut Medicaid benefits and reimbursements.

Decrease in Referrals. The funds received from DHHS are based on a fee for service arrangement. There is no guarantee that the Institutions will continue to receive referrals at the present levels. Any decrease in the number of referrals would cause a corresponding decrease in the amount of the payments received from DHHS.

Other Risk Factors Affecting Community Health and Social Services Facilities Institutions:

(1) Employee strikes and other adverse labor actions that could result in a substantial reduction in revenues without corresponding decreases in costs.

(2) Reduced demand for the services that might result from decreases in population or demographic changes.

(3) Any increase in the quantity of indigent care provided in order to maintain the charitable status of the Institution.

(4) Developments affecting the federal or state tax-exempt status of nonprofit organizations.

(5) Cost and availability of energy.

(6) Imposition of wage and price controls for the health care industry.

(7) Unavailability of tax-exempt financing for future projects of organizations such as community health and social services Institutions or other factors which might limit the availability of financing for future projects.

(8) Increased competition from home health care providers.

(9) The occurrence of natural disasters, including floods and hurricanes and pandemics and similar events, and potential impacts of climate change, which might damage the facilities of the community health and social services Institutions, interrupt service to such facilities or otherwise impair the operation and ability of such facilities to produce revenue.

Enforceability of Security Interests in Gross Receipts in the Event of Bankruptcy

The respective Series 2025A Loan Agreements provide that the Series 2025A Institutions will make payments to the Authority sufficient to pay the principal of the Series 2025A Bonds and the interest thereon as the same become due and the Loan Agreements with respect to the Prior Bonds provide that the Institutions other than the Series 2025A Institutions will make payments to the Authority sufficient to pay the principal of the Prior Bonds and the interest thereon as the same become due. The obligations of certain Institutions to make such payments are secured in part by security interests in all Gross Receipts of such Institutions granted to the Authority under the Loan Agreements or to a master trustee pursuant to a master indenture. In the event of bankruptcy of any Institution, the Bankruptcy Code of 1978, Title 11 of the United States Code, as amended, currently provides that certain Gross Receipts received by an Institution within ninety days before the commencement of a case in bankruptcy and, thereafter, may not be subject to the lien of the Authority or the master trustee, as applicable. In such event the Authority or the master trustee, as applicable, would occupy the position of an unsecured creditor with respect to such Gross Receipts. In addition, the enforcement of the security interest in Gross Receipts would be subject to the exercise of equitable jurisdiction by a court which, under certain circumstances, may have power to direct the use of such receipts to meet expenses of the Institutions before payment of debt service.

Covenant to Maintain Tax-Exempt Status of the Series 2025A Bonds

The tax-exempt status of the Series 2025A Bonds is based on the continued compliance by the Authority and the Series 2025A Institutions with certain covenants contained in the Series 2025A Loan Agreements. These covenants relate generally to the maintenance of the Series 2025A Institutions' tax-exempt or governmental status, arbitrage limitations, rebate of certain investment earnings to the federal government, and restrictions on the amount of costs of issuance financed with the proceeds of the Series 2025A Bonds. Failure to comply with any of these covenants may result in the treatment of interest on the Series 2025A Bonds as taxable retroactive to the date of issuance. See "TAX MATTERS – Series 2025A Bonds" herein.

Realization of Value on the Mortgaged Facilities

The Facilities mortgaged by certain of the Institutions are not comprised of general purpose buildings and would not generally be suitable for industrial, commercial or other valuable use. Consequently, it would be difficult to find a buyer or lessee for any of such Institutions' Facilities if it were

necessary to foreclose. Thus, upon any default by any such Institution, it may not be possible to realize the amount of the Bonds allocable to the Institution from a sale or lease of its Facility.

Construction Risks

Construction of any projects of the Institutions financed with Bond proceeds is subject to ordinary risks associated with new construction, such as risks of cost overruns, non-completion and delays due to a variety of factors, including, among other things, site difficulties, necessary design changes or final detailing, labor shortage or strife, delays in and shortages of materials, weather conditions, fire, and casualty. Any delays in construction may adversely impact the Series 2025A Institutions' ability to complete the projects by the expected completion date, which may result in, among other things, cost overruns.

Appropriation Risk

The provisions of the Act and the Reserve Fund Resolution regarding the Reserve Fund do not constitute a pledge of the faith and credit of the State or a debt obligation of the State. No assurance can be given that the State Legislature will appropriate funds to restore any deficiency in the Reserve Fund resulting from a payment default of one or more of the Series 2025A Institutions under the Series 2025A Loan Agreements, a default by another Institution under another series of Bonds designated by the Authority as being secured by the Reserve Fund, or a diminution of the market value of the Reserve Fund below the Reserve Fund Requirement which is not made up from payments by the Institutions.

Reserve Fund Investments

A portion of the Reserve Fund is currently invested in investment agreements entered into contemporaneously with the issuance of certain series of the Prior Bonds. Each of the investment agreement providers is obligated to meet certain rating requirements, as required by the Reserve Fund Resolution and the Bond Indenture. The Authority may enter into similar investment agreements in connection with the issuance of the Series 2025A Bonds and any Additional Bonds secured by the Reserve Fund. No assurance can be given that the providers of the investment agreements will be able to continue to meet their obligations under such agreements or maintain the required ratings under the Reserve Fund Resolution and the Bond Indenture. Another portion of the Reserve Fund is currently invested in a mutual fund, which must meet certain rating requirements and the investments of which are limited to U.S. Treasury obligations, tax-exempt obligations and other Permitted Investments. An additional portion of the Reserve Fund is invested in U.S. Treasury obligations. See Appendix D – "Certain Provisions of Principal Documents – Definitions – Permitted Investments" and "Certain Provisions of Principal Documents – Certain Provisions of the Reserve Fund Resolution."

Cybersecurity Risks

Despite the implementation of network security measures by the Institutions, their information technology systems may be vulnerable to breaches, hacker attacks, computer viruses, physical or electronic break-ins and other similar events or issues. Such events or issues could lead to the inadvertent disclosure of protected health or student information, as applicable, or other confidential information or could have an adverse effect on the ability of the Institutions to provide their respective services.

For example, in early 2024, Change Healthcare, a health care information technology company that provides software used to process prescriptions, medical billing, and insurance claims, experienced a network interruption related to a cybersecurity breach that had impacts nationwide and affected Medicaid members in many states, including Maine. As part of the impact of these technical issues, the State's Department of Health and Human Services was temporarily unable to process retail pharmacy claims,

which had a material adverse effect on certain healthcare Institutions. In addition, the breach included disclosure of certain confidential patient information. In July 2024, CrowdStrike, a cybersecurity firm used on over one million individual devices in healthcare organizations throughout the United States, experienced a significant outage that adversely affected many hospitals and health systems that are dependent on CrowdStrike. The outage idled certain laptop and desktop workstations that were used to access Epic electronic health records systems, and problems with data center software kept certain facilities from using multiple systems, including Epic. Certain hospitals were forced to cancel scheduled non-urgent surgeries, procedures and medical visits. There is no assurance that the Health Care Institutions or other Institutions will not experience similar operational disruptions or cybersecurity breaches in the future due to third party information technology provider incidents.

Facility Damage Risks

The Institutions are highly dependent on the condition and functionality of their physical facilities. Damage from earthquakes, floods, fires, other natural causes, deliberate acts of destruction, or various facilities system failures may have a material adverse impact on operations and financial conditions of the Institutions. There can be no assurance that the facilities of the Institutions will be covered by property insurance in amounts sufficient to provide for the replacement or repair of such facilities in the event of a natural disaster or other damage.

Uncertainties of Federal Funding Legislation and Federal Policy

Federal policies on the debt ceiling, taxes, foreign trade and tariffs, immigration, climate change, clean energy and other topics can shift significantly from one administration to another. From time to time, such changes can result in shifts in the level of federal funding for various policy priorities, leading to unpredictability in such funding. Federal funding, including research funding, is subject to legislative action, including through the federal budget process and sequestration. Budgetary acts, including sequestration, could continue to affect the availability of federal funds. Executive actions, including actions seeking to freeze or reallocate federal grant, loan and other financial assistance, also could affect the availability of these funds. A shift from federal to non-federal research funding could reduce the relative amount of funding for indirect costs.

Potential federal legislative and executive actions and initiatives could adversely impact the Institutions. Such possible actions include, but are not limited to, regulatory changes to programs administered by federal agencies including the National Institutes of Health, the Department of Education and others, elimination of existing tax credits, cuts to federal spending on research, healthcare and other programs, curtailment of tax-exempt bond financing, increases to the endowment tax, reduced funding for financial aid programs, and immigration policies that impact international student enrollment. It is uncertain what impact, if any, federal legislative and executive actions such as those described above, as well as any other actions, will or could have on federal funding for the Institutions, if implemented.

UNDERWRITING

The Series 2025A Bonds are being purchased by Raymond James & Associates, Inc. (the "Underwriter"). The Underwriter has agreed to purchase the Series 2025A Bonds at a purchase price of $81,873,728.46 (consisting of the aggregate principal amount of the Series 2025A Bonds, $78,140,000.00, less underwriter's discount of $451,727.34, plus original issue premium of $4,185,455.80). The Contract of Purchase for the Series 2025A Bonds provides that the Underwriter will purchase all of the Series 2025A Bonds if any are purchased. The initial public offering prices or yields may be changed by the Underwriter.

The Underwriter has provided the following sentence for inclusion in this Official Statement. The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

The Underwriter has provided the following five sentences for inclusion in this Official Statement. The Underwriter and its affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. The Underwriter and its affiliates have, from time to time, performed and may in the future perform, various investment banking services for the Authority, for which they received or will receive customary fees and expenses. In the ordinary course of their various business activities, the Underwriter and its affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities, which may include default swaps) and financial instruments (including bank loans) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of the Authority. The Underwriter and its affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments. In the ordinary course of its business, the Underwriter and its affiliates have engaged, and may engage in the future, in transactions with, and perform services for, the Authority and its affiliates for which they received or will receive customary fees and expenses. In particular, Raymond James & Associates, Inc. currently provides investment services through its Registered Investment Advisor "Public Finance Investment Strategies Group" to the Authority pursuant to an Investment Advisor Agreement and receives compensation for such services as provided in such contract.

RATINGS

Moody's and S&P are expected to assign insured ratings of "Aa3" (stable outlook) and "AA" (stable outlook), respectively, to the Series 2025A Bonds based on the issuance and delivery of the Policy by the Bond Insurer (with the expected Moody's insured rating based upon the higher underlying rating on the Series 2025A Bonds). In addition, Fitch Ratings and Moody's have assigned underlying ratings of "A+" (positive outlook) and "Aa3" (stable outlook), respectively, to the Series 2025A Bonds based solely on an evaluation of the security for the Series 2025A Bonds without giving effect to the Policy. Any explanation of the significance of such ratings may only be obtained from the rating agency furnishing the same. A credit rating is not a recommendation to buy, sell or hold securities. There is no assurance that the ratings will continue for any given period of time or that they might not be revised downward or withdrawn entirely by the rating agencies, if in their judgment circumstances so warrant. None of the Authority, the Series 2025A Institutions or the Underwriter has undertaken any responsibility to bring to the attention of the Holders of the Series 2025A Bonds any proposed revision or withdrawal or to oppose

any such revision or withdrawal. Any such downward revision or withdrawal of the ratings might have an adverse effect on the market price of the Series 2025A Bonds.

MUNICIPAL ADVISOR

Hilltop Securities Inc., Lincoln, Rhode Island, is acting as municipal advisor (the "Municipal Advisor") to the Authority in connection with the issuance of the Series 2025A Bonds. The Municipal Advisor has not independently verified the factual information contained in this Official Statement, and makes no guarantee as to its completeness or accuracy. In addition, the Municipal Advisor has not verified and does not assume any responsibility for the information, covenants and representations contained in any of the legal documents with respect to the tax status of the Series 2025A Bonds or the possible impact of any present, pending or future actions taken by any legislative or judicial bodies or rating agencies. The Authority may engage the Municipal Advisor to perform other services, including, without limitation, providing certain investment services with regard to the investment of Bond proceeds. The participation of the Municipal Advisor should not be seen as a recommendation to buy or sell the Series 2025A Bonds and investors should seek the advice of their accountants, lawyers and registered representatives for advice as appropriate.

The Municipal Advisor has provided the following sentence for inclusion in this Official Statement. The Municipal Advisor has received the information in this Official Statement in accordance with, and as part of, its responsibilities to the Authority and, as applicable, to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Municipal Advisor does not guarantee the accuracy or completeness of such information.

LITIGATION

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 2025A Bonds or questioning or affecting the validity of the Series 2025A Bonds or the proceedings and authority under which they are to be issued. Neither the creation, organization or existence of the Authority, nor the title of the present members or other officers of the Authority to their respective offices, is being contested. There is no litigation pending or threatened which in any manner questions the right of the Authority to issue the Series 2025A Bonds to finance and refinance the Project in accordance with the provisions of the Act, the Bond Resolution, the Bond Indenture, the Reserve Fund Resolution and the Loan Agreements, or which in any manner questions the right of the Authority to adopt the Reserve Fund Resolution or to pledge the Reserve Fund and the General Fund to secure the payment of the Bonds.

LEGALITY OF SERIES 2025A BONDS FOR INVESTMENT AND DEPOSIT

Under the Act, bonds of the Authority (including the Series 2025A Bonds) are securities in which all public officers and public bodies of the State and its political subdivisions, all insurance companies and associations and other persons carrying on an insurance business, trust companies, banks, bankers, banking associations, savings banks and savings associations, including savings and loan associations, credit unions, building and loan associations, investment companies, executors, administrators, trustees and other fiduciaries, pension, profit-sharing, retirement funds and other persons carrying on a banking business and all other persons whatsoever, who are now or may hereafter be authorized to invest in bonds or other obligations of the State, may properly and legally invest funds, including capital in their control or belonging to them. Under the Act, the bonds of the Authority (including the Series 2025A Bonds) are securities that may properly and legally be deposited with and received by any State or municipal public officer or any agency or political subdivision of the State for any purpose for which the deposit of bonds or other obligations of the State is now or may hereafter be authorized by law.

SERIES 2025A BONDS NOT LIABILITY OF THE STATE OF MAINE

The Series 2025A Bonds are special obligations of the Authority, payable solely from payments made pursuant to the Series 2025A Loan Agreements, from certain funds held by the Bond Trustee under the Bond Indenture, and from certain funds held by the Reserve Fund Trustee under the Reserve Fund Resolution. The Series 2025A Bonds do not constitute or create any debt or liability of or on behalf of the State or any political subdivision thereof or a pledge of the faith and credit of the State or of any political subdivision thereof, but will be payable solely from the funds provided under the Bond Indenture. The issuance of the Series 2025A Bonds will not directly or indirectly or contingently obligate the State or any political subdivision thereof to levy or to pledge any form of taxation whatever therefor.

AGREEMENT OF THE STATE

Under the Act, the State pledges and agrees with the holders of the bonds issued under the Act, and those parties entering into contracts with the Authority, that the State will not limit, alter, restrict or impair the rights vested in the Authority to acquire, construct, reconstruct, maintain and operate any project under the Act or to establish, revise, charge and collect rates, rents, fees and other charges as may be convenient or necessary to produce sufficient revenues to meet the expenses of maintenance and operations thereof and to fulfill the terms of any agreements with holders of bonds or in any way impair the rights and remedies of such holders, until the bonds and interest thereon and all costs and expenses in connection with any action or proceeding by or on behalf of bondholders are fully met and discharged. The Act provides that the foregoing does not preclude such limitation or alteration if and when adequate provision is made by law for the protection of bondholders.

LEGAL MATTERS

All legal matters incidental to the issuance of the Series 2025A Bonds by the Authority are subject to the approval of Hawkins Delafield & Wood LLP, New York, New York, Bond Counsel to the Authority, whose approving opinion, in substantially the form set forth in Appendix D hereto, will be delivered concurrently with the delivery of the Series 2025A Bonds. Certain legal matters are subject to the approval of Verrill Dana LLP, Portland, Maine, counsel to the Authority in connection with the Series 2025A Bonds. Certain legal matters will be passed upon for the Underwriter by Troutman Pepper Locke LLP, Boston, Massachusetts.

TAX MATTERS

Opinion of Bond Counsel

In the opinion of Hawkins Delafield & Wood LLP, Bond Counsel to the Authority, under existing statutes and court decisions and assuming continuing compliance with certain tax covenants described herein, (i) interest on the Series 2025A Bonds is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Code, and (ii) interest on the Series 2025A Bonds is not treated as a preference item in calculating the alternative minimum tax under the Code, however, interest on the Series 2025A Bonds is included in "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. In rendering its opinion, Bond Counsel has relied on certain representations, certifications of fact, and statements of reasonable expectations made by the Authority, the Series 2025A Institutions and others in connection with the Series 2025A Bonds, and Bond Counsel has assumed compliance by the Authority and the Series 2025A Institutions with certain ongoing covenants to comply with applicable requirements of the Code to assure the exclusion of interest on the Series 2025A Bonds from gross income under Section 103 of the Code. In addition, in rendering its opinion, Bond Counsel has relied on the opinions of counsel to the Series 2025A Institutions regarding,

among other matters, the current qualification of the Series 2025A Institutions as organizations described in Section 501(c)(3) of the Code.

In addition, in the opinion of Bond Counsel to the Authority, under existing statutes, interest on the Series 2025A Bonds is exempt from personal income taxes imposed by the State of Maine or any political subdivision thereof.

Bond Counsel expresses no opinion as to any other federal, state or local tax consequences arising with respect to the Series 2025A Bonds, or the ownership or disposition thereof, except as stated above. Bond Counsel renders its opinion under existing statutes and court decisions as of the issue date, and assumes no obligation to update, revise or supplement its opinion to reflect any action thereafter taken or not taken, any fact or circumstance that may thereafter come to its attention, any change in law or interpretation thereof that may thereafter occur, or for any other reason. Bond Counsel expresses no opinion as to the consequence of any of the events described in the preceding sentence or the likelihood of their occurrence. In addition, Bond Counsel expresses no opinion on the effect of any action taken or not taken in reliance upon an opinion of other counsel regarding federal, state or local tax matters, including, without limitation, exclusion from gross income for federal income tax purposes of interest on the Series 2025A Bonds.

Certain Ongoing Federal Tax Requirements and Covenants

The Code establishes certain ongoing requirements that must be met subsequent to the issuance and delivery of the Series 2025A Bonds in order that interest on the Series 2025A Bonds be and remain excluded from gross income under Section 103 of the Code. These requirements include, but are not limited to, requirements relating to use and expenditure of gross proceeds of the Series 2025A Bonds, yield and other restrictions on investments of gross proceeds, and the arbitrage rebate requirement that certain excess earnings on gross proceeds be rebated to the federal government. Noncompliance with such requirements may cause interest on the Series 2025A Bonds to become included in gross income for federal income tax purposes retroactive to their issue date, irrespective of the date on which such noncompliance occurs or is discovered. The Authority and the Series 2025A Institutions have covenanted to comply with certain applicable requirements of the Code to assure the exclusion of interest on the Series 2025A Bonds from gross income under Section 103 of the Code.

Certain Collateral Federal Tax Consequences

The following is a brief discussion of certain collateral federal income tax matters with respect to the Series 2025A Bonds. It does not purport to address all aspects of federal taxation that may be relevant to a particular owner of a Series 2025A Bond. Prospective investors, particularly those who may be subject to special rules, are advised to consult their own tax advisors regarding the federal tax consequences of owning and disposing of the Series 2025A Bonds.

Prospective owners of the Series 2025A Bonds should be aware that the ownership of such obligations may result in collateral federal income tax consequences to various categories of persons, such as corporations (including S corporations and foreign corporations), financial institutions, property and casualty and life insurance companies, individual recipients of Social Security and railroad retirement benefits, individuals otherwise eligible for the earned income tax credit, and taxpayers deemed to have incurred or continued indebtedness to purchase or carry obligations the interest on which is excluded from gross income for federal income tax purposes. Interest on the Series 2025A Bonds may be taken into account in determining the tax liability of foreign corporations subject to the branch profits tax imposed by Section 884 of the Code.

Original Issue Discount

"Original issue discount" ("OID") is the excess of the sum of all amounts payable at the stated maturity of a Series 2025A Bond (excluding certain "qualified stated interest" that is unconditionally payable at least annually at prescribed rates) over the issue price of that maturity. In general, the "issue price" of a maturity (a bond with the same maturity date, interest rate, and credit terms) means the first price at which at least 10 percent of such maturity was sold to the public, i.e., a purchaser who is not, directly or indirectly, a signatory to a written contract to participate in the initial sale of the Series 2025A Bonds. In general, the issue price for each maturity of Series 2025A Bonds is expected to be the initial public offering price set forth on the cover page of the Official Statement. Bond Counsel further is of the opinion that, for any Series 2025A Bonds having OID (a "Discount Bond"), OID that has accrued and is properly allocable to the owners of the Discount Bonds under Section 1288 of the Code is excludable from gross income for federal income tax purposes to the same extent as other interest on the Series 2025A Bonds.

In general, under Section 1288 of the Code, OID on a Discount Bond accrues under a constant-yield method, based on periodic compounding of interest over prescribed accrual periods using a compounding rate determined by reference to the yield on that Discount Bond. An owner's adjusted basis in a Discount Bond is increased by accrued OID for purposes of determining gain or loss on sale, exchange, or other disposition of such Bond. Accrued OID may be taken into account as an increase in the amount of tax-exempt income received or deemed to have been received for purposes of determining various other tax consequences of owning a Discount Bond even though there will not be a corresponding cash payment.

Owners of Discount Bonds should consult their own tax advisors with respect to the treatment of original issue discount for federal income tax purposes, including various special rules relating thereto, and the state and local tax consequences of acquiring, holding, and disposing of Discount Bonds.

Bond Premium

In general, if an owner acquires a bond for a purchase price (excluding accrued interest) or otherwise at a tax basis that reflects a premium over the sum of all amounts payable on the bond after the acquisition date (excluding certain "qualified stated interest" that is unconditionally payable at least annually at prescribed rates), that premium constitutes "bond premium" on that bond (a "Premium Bond"). In general, under Section 171 of the Code, an owner of a Premium Bond must amortize the bond premium over the remaining term of the Premium Bond, based on the owner's yield over the remaining term of the Premium Bond determined based on constant-yield principles (in certain cases involving a Premium Bond callable prior to its stated maturity date, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on such bond). An owner of a Premium Bond must amortize the bond premium by offsetting the qualified stated interest allocable to each interest accrual period under the owner's regular method of accounting against the bond premium allocable to that period. In the case of a tax-exempt Premium Bond, if the bond premium allocable to an accrual period exceeds the qualified stated interest allocable to that accrual period, the excess is a nondeductible loss. Under certain circumstances, the owner of a Premium Bond may realize a taxable gain upon disposition of the Premium Bond even though it is sold or redeemed for an amount less than or equal to the owner's original acquisition cost. Owners of any Premium Bonds should consult their own tax advisors regarding the treatment of bond premium for federal income tax purposes, including various special rules relating thereto, and state and local tax consequences, in connection with the acquisition, ownership, amortization of bond premium on, sale, exchange, or other disposition of Premium Bonds.

Information Reporting and Backup Withholding

Information reporting requirements apply to interest paid on tax-exempt obligations, including the Series 2025A Bonds. In general, such requirements are satisfied if the interest recipient completes, and provides the payor with, a Form W-9, "Request for Taxpayer Identification Number and Certification," or if the recipient is one of a limited class of exempt recipients. A recipient not otherwise exempt from information reporting who fails to satisfy the information reporting requirements will be subject to "backup withholding," which means that the payor is required to deduct and withhold a tax from the interest payment, calculated in the manner set forth in the Code. For the foregoing purpose, a "payor" generally refers to the person or entity from whom a recipient receives its payments of interest or who collects such payments on behalf of the recipient.

If an owner purchasing a Series 2025A Bond through a brokerage account has executed a Form W-9 in connection with the establishment of such account, as generally can be expected, no backup withholding should occur. In any event, backup withholding does not affect the excludability of the interest on the Series 2025A Bonds from gross income for federal income tax purposes. Any amounts withheld pursuant to backup withholding would be allowed as a refund or a credit against the owner's federal income tax once the required information is furnished to the Internal Revenue Service.

Miscellaneous

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 2025A Bonds under federal or state law or otherwise prevent beneficial owners of the Series 2025A Bonds from realizing the full current benefit of the tax status of such interest. In addition, such legislation or actions (whether currently proposed, proposed in the future, or enacted) and such decisions could affect the market price or marketability of the Series 2025A Bonds.

Prospective purchasers of the Series 2025A Bonds should consult their own tax advisors regarding the foregoing matters.

FINANCIAL STATEMENTS

Included herein as Appendix B are the audited financial statements of the Authority as of, and for the year ended, June 30, 2024, together with the report thereon dated October 10, 2024 of Baker, Newman & Noyes Limited Liability Company, independent certified public accountants. Such financial statements have been audited by Baker, Newman & Noyes Limited Liability Company, as stated in their report appearing herein. Baker, Newman & Noyes Limited Liability Company, the Authority's independent auditor, has not been engaged to perform, and has not performed, since the date of its report indicated herein, any procedures on the financial statements addressed in that report. Baker, Newman & Noyes Limited Liability Company also has not performed any procedures relating to this Official Statement.

SECONDARY MARKET DISCLOSURE

A description of certain undertakings by the Authority in connection with Rule 15c2-12 (the "Rule") promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934 is set forth in Appendix C under the caption "Certain Provisions of Principal Documents – Certain Provisions of the Supplemental Indenture – General Covenants of the Authority – Secondary Market Disclosure." Certain of those undertakings are also summarized below.

(1) Pursuant to the Bond Indenture, the Authority, for the benefit of the Holders of the Bonds, including the Series 2025A Bonds, will:

(a) As soon as practicable but in no event later than twelve (12) months after the end of each fiscal year of the Authority, file with the Bond Trustee the "annual financial information" (as such term is used in the Rule) as described in paragraph 3 below, for each Material Obligated Person. Any Material Obligated Person may satisfy the requirement to provide annual financial information by filing with the Bond Trustee a current official statement, prospectus or offering statement which contains such annual financial information. "Material Obligated Person" shall mean the Authority by virtue of its title and interest in the Reserve Fund, and shall mean any other entity constituting an "obligated person" (as such term is used in the Rule) and, in the determination of the Authority, meeting the "objective criteria" (as such term is used in the Rule) described as follows. The Authority shall use the following objective criteria in selecting which entities that constitute obligated persons are to be considered Material Obligated Persons from time to time and thus be obligated to provide annual financial information as described in this paragraph 1:

(i) An entity shall be considered a Material Obligated Person as of any fiscal year end of the Authority if such entity is responsible for the repayment of in excess of twenty percent (20%) of the aggregate principal amount of all loans outstanding made by the Authority to all entities from proceeds of bonds or notes of the Authority, including the Bonds, that are secured by the Reserve Fund established under the Reserve Fund Resolution.

(ii) In addition to any Material Obligated Persons described in paragraph (i) above, any entities designated by the Authority shall be considered Material Obligated Persons during any period of time commencing thirteen (13) months after the State has failed to restore the Reserve Fund to the Reserve Fund Requirement in accordance with the Reserve Fund Resolution and the Act, or commencing on the date that the Legislature of the State has repealed Section 2075 of the Act.

(b) As soon as practicable but in no event later than twelve (12) months after the end of each fiscal year of the Authority and any other Material Obligated Person, respectively, file with the Bond Trustee the audited financial statements of the Authority and any other Material Obligated Person, respectively, prepared in accordance with generally accepted accounting principles, as of the end of such fiscal year, each accompanied by the certificate or opinion of a firm of recognized independent certified public accountants.

(c) In a timely manner not in excess of ten (10) business days after the occurrence of the event, file with the Bond Trustee a certificate of an authorized officer giving notice of material events as to the Authority and any other Material Obligated Person (as applicable) with respect to the Bonds as may be required by the Rule, including, but not limited to: principal and interest payment delinquencies; non-payment related defaults, if material; unscheduled draws on the Reserve Fund reflecting financial difficulties; unscheduled draws on credit enhancements, including but not limited to the Policy, reflecting financial difficulties; substitution of credit or liquidity providers, or their failure to perform; 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 or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds; modifications to the rights of the Bondholders, if material; bond calls, if material, and tender offers; defeasances; release, substitution, or sale of property securing repayment of the Bonds, if material; rating changes; bankruptcy, insolvency, receivership or similar event of the Authority or any other Material Obligated Person; the consummation of a merger, consolidation, or acquisition involving the Authority or any other Material Obligated Person or the sale of all or substantially all of the assets of the Authority or any other Material Obligated Person, 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; appointment of a successor or additional Bond Trustee or the change of name of a Bond Trustee, if material; incurrence of a Financial Obligation (as such term is defined in the Rule) of the Authority or any other Material Obligated Person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Authority or any other Material Obligated Person, any of which affect Bondholders, if material; default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Authority or any other Material Obligated Person, any of which reflect financial difficulties; and such other material information as the Authority determines should be disclosed or is required to be disclosed under the Rule.

(2) The Bond Trustee shall, as soon as practicable, provide (i) the MSRB copies of the documents and notices filed with the Bond Trustee as described in paragraphs 1(a), 1(b) and 1(c) above, and (ii) the MSRB notice of the failure of the Authority or any other Material Obligated Person to provide the Bond Trustee with the documents including all the information, and at the time, as described in paragraph 1(a) above. For the purposes of this paragraph 2, "MSRB" shall mean the Municipal Securities Rulemaking Board.

(3) In accordance with the Rule, the following is the type of financial information and operating data (if material) to be provided as part of the annual financial information referred to in paragraph 1(a) above:

(a) for the Authority, material information concerning the Reserve Fund established under the Reserve Fund Resolution, including the market value (if applicable) of any individual Permitted Investment and cash held directly in the Reserve Fund, the percentage of the aggregate principal amounts of the Permitted Investments held directly in the Reserve Fund that mature later than five (5) years after the date of such annual financial information, the types of Permitted Investments held in the Reserve Fund, the occurrence of any material investment losses in the Reserve Fund, the identity of any counterparty to any repurchase agreement or guaranteed investment contract, and the downgrade of any Permitted Investment held in the Reserve Fund; and

(b) for any other Material Obligated Person, material information concerning its financial statements, revenues and expenses, and results of operations, fund balances, endowments, investments, and, as applicable to the type of entity constituting a Material Obligated Person, material information concerning utilization statistics, admissions, numbers and types of beds, sources of patient service revenue, emergency room visits, inpatient and outpatient surgical procedures, occupancy percentages, numbers of physicians, employees and labor relations, licensing and accreditations, enrollments, faculty, services provided, births, average length of stay, case mix index, major construction projects, significant incurrences of debt, litigation, research funding, grants, insurance, environmental hazards and numbers of persons served.

(4) Once an entity designated as a Material Obligated Person is no longer a Material Obligated Person as provided in the Bond Indenture, annual financial information will no longer be provided with respect thereto.

(5) The Bond Trustee also shall take such other action with respect to any financial and other statements, reports, certificates and other information as shall be required, in the opinion of counsel, to comply with any and all requirements of the Securities and Exchange Commission or other governmental agency with jurisdiction over the Authority and the Bonds.

(6) The breach by the Authority of its covenants set forth in paragraph 1 above shall, upon satisfaction of certain conditions of the Original Indenture, constitute a Bond Indenture Event of Default.

However, acceleration as provided in the Original Indenture shall not be available to the Bond Trustee or the Bondholders as a result of such Bond Indenture Event of Default.

(7) Subject to certain requirements set forth in the Original Indenture and the Supplemental Indenture, the provisions described in this section may be amended without the consent of the Bondholders or the Bond Insurer.

As of June 30, 2024, 2023 and 2022, the last three fiscal year ends of the Authority for which audited financial statements are available, the Northern Light Health Obligated Group ("NLH") constituted a Material Obligated Person as described in paragraph (1)(a)(i) above. Accordingly, in addition to the annual financial information filing of the Authority for the fiscal years ended June 30, 2024, 2023 and 2022, the Authority provided (or will provide, in the case of the fiscal year of NLH ending September 30, 2024) to the Bond Trustee for filing with the MSRB the annual financial information and material operating data for NLH in accordance with paragraphs 1(b) and 3(b) above. As described in paragraph (4) above, such information will continue to be provided with respect to NLH for only so long as such entity is designated as a Material Obligated Person.

The Authority is subject to continuing disclosure requirements under existing continuing disclosure undertakings. The Authority has timely filed its annual financial information, and the annual financial and material operating data for the applicable Material Obligated Persons, for the past five years, except that: (i) the annual financial information and material operating data for MaineHealth Services (formerly known as MaineHealth) and its subsidiaries ("MaineHealth"), which was a Material Obligated Person as of June 30, 2020, while timely filed by MaineHealth with the MSRB through its Electronic Municipal Market Access ("EMMA") system pursuant to MaineHealth's continuing disclosure undertakings for its outstanding bonds under the Authority's General Bond Resolution, were linked by the Authority through EMMA to the bond CUSIP numbers under the Reserve Fund Resolution 301 days late on April 27, 2022; (ii) the material operating data for Central Maine Healthcare and its subsidiaries, which was a Material Obligated Person as of June 30, 2020, was filed by the Authority through EMMA 301 days late on April 27, 2022; (iii) the material operating data for the NLH fiscal year ended September 30, 2022, while timely filed by NLH with the MSRB through EMMA pursuant to NLH's continuing disclosure undertakings for its outstanding bonds under the Authority's General Bond Resolution, was linked by the Authority through EMMA to certain CUSIPs 131 days late on November 8, 2023; and (iv) the annual financial information filing of the Authority for the fiscal year ended June 30, 2022 was linked by the Authority through EMMA to certain CUSIPs 131 days late on November 8, 2023. In addition, notice of an April 23, 2021 rating downgrade by Fitch was filed through EMMA 74 days late on July 6, 2021.

After the issuance of the Series 2025A Bonds, affiliates of NLH will be responsible for the payment of approximately 35% of the aggregate principal amount of all loans outstanding made by the Authority to all entities from proceeds of bonds or notes of the Authority, including the Bonds, that are secured by the Reserve Fund established under the Reserve Fund Resolution. Accordingly, in addition to the annual financial information filing of the Authority, the Authority will provide the Bond Trustee for filing with the MSRB the annual financial information and material operating data for NLH in accordance with paragraphs 1(b) and 3(b) above. As described in paragraph (4) above, such information will be provided with respect to NLH for only so long as it is designated as a Material Obligated Person.

MISCELLANEOUS

The references herein and in the appendices hereto to the Series 2025A Bonds, the Act, the Bond Resolution, the Loan Agreements, the Bond Indenture, the Reserve Fund Resolution and the Tax Regulatory Agreement are brief summaries of certain provisions thereof. Such summaries do not purport to be complete and reference is made to such statute and documents for full and complete statements therein. The agreements of the Authority with the Holders of the Series 2025A Bonds are fully set forth in the Bond Indenture, and neither any advertisement of the Series 2025A Bonds nor this Official Statement is to be construed as constituting an agreement with the purchasers of the Series 2025A Bonds. So far as any statements are made in this Official Statement involving matters of opinion, whether or not expressly so stated, they are intended merely as such and not as representations of fact. Copies of the documents mentioned in this paragraph are on file at the offices of the Authority and the Bond Trustee.

The information relating to DTC and the book-entry only system described under the heading "The Series 2025A Bonds – Book-Entry Only System" has been furnished by DTC. The information relating to the Policy and the Bond Insurer described under the heading "BOND INSURANCE" and in Appendix E has been furnished by the Bond Insurer. Such information is believed to be reliable, but none of the Authority, the Series 2025A Institutions or the Underwriter makes any representations or warranties whatsoever with respect to such information.

References to website addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement for purposes of, and as that term is defined in, the Rule.

The Series 2025A Institutions have reviewed the information contained herein which relates to them and have approved all such information for use in this Official Statement. The execution and delivery of this Official Statement by its Executive Director has been duly authorized by the Authority.

MAINE HEALTH AND HIGHER EDUCATIONAL FACILITIES AUTHORITY

By: */s/ Teresea M. Hayes*
Teresea M. Hayes
Executive Director

Dated: April 30, 2025

The following table lists (i) the series of Bonds which have been issued by the Authority and designated as secured by the Reserve Fund, (ii) the Institutions which have borrowed proceeds of such Bonds and (iii) the amounts of the Institutions' loans at the time of original issuance of the Bonds and the amounts of such loans currently outstanding. For a generic description of the Institutions, see "The Institutions" herein. See also "Bondholders' Risks."

MAINE HEALTH AND HIGHER EDUCATIONAL FACILITIES AUTHORITY

ISSUE	INSTITUTION AND CLASSIFICATION	ORIGINAL LOAN	BALANCE OUTSTANDING
1991	York Hospital	H 3,265,000	0
	SMHC-Goodall Hospital Southern Maine Health Care-Sanford Campus f/k/a Goodall Hospital	H 2,215,000	0
	Sebasticook Valley Hospital	H 6,200,000	0
	Maine Medical Center	H 18,825,000	0
	LincolnHealth-Miles Campus	H 4,710,000	0
	LincolnHealth-Cove's Edge Facility (Designated Affiliate) LincolnHealth-Cove's Edge Facility	NH 5,705,000	0
		$40,920,000	$0
1992A	Thomas College	C 2,520,000	0
	Maine Coast Hospital Maine Coast Memorial Hospital	H 3,275,000	0
	Catholic Charities Of Maine	CMH 2,245,000	0
		$8,040,000	$0
1992B	Tri-County Mental Health	CMH 2,020,000	0
	St Joseph Hospital	H 845,000	0
	Penobscot Bay Medical Center	H 7,985,000	0
	Mount St. Joseph Nursing Home	NH 1,575,000	0
	Jackson Laboratory	C 25,920,000	0
	Houlton Regional Hospital	H 6,505,000	0
		$44,850,000	$0
1993A	Penobscot Bay Medical Center	H 4,765,000	0
	Millinocket Regional Hospital	H 2,740,000	0
	Mercy Hospital	H 26,175,000	0
	Maine Gen Rehab & Nursing Care	NH 10,615,000	0
	Goodwill Industries Of Northern New England Goodwill Industries Of Maine	CMH 3,075,000	0
	Community Partners, Inc.	RC 665,000	0
	Community Living Association	RC 1,995,000	0
		$50,030,000	$0
1993B	University Of New England	C 13,275,000	0
	Cedars Nursing Care Center Inc.	NH 6,725,000	0
		$20,000,000	$0
1993C	Maine Medical Center	H 69,085,000	0
		$69,085,000	$0
1993D	York Hospital	H 3,875,000	0
	Waldo County General Hospital Waldo County General Hosp	H 3,040,000	0
	Unity College	C 390,000	0
	St. Mary's Regional Medical Center d'Youville Pavilion St. Mary's Regional Medical Center f/k/a d'Youville Pavilion	NH 9,750,000	0
	St. Mary's Regional Medical Center	H 19,455,000	0
	Spurwink School, The	CMH 8,765,000	0
	Maine Maritime Academy	C 3,385,000	0
	John F. Murphy Homes	C 1,180,000	0
	Inland Hospital	H 6,555,000	0
	Franklin Memorial Hospital	H 6,060,000	0
	Continuing Care Lakewood Lakewood dba Lakewood Cont Care	NH 2,880,000	0
	Central Maine Medical Ctr	H 20,970,000	0
		$86,305,000	$0

1994A	St Joseph Hospital	H 2,835,000	0
	Spurwink School, The	CMH 2,705,000	0
	Mount St. Joseph Nursing Home	NH 10,560,000	0
	HealthReach Network (KVRHA)	CH 1,235,000	0
	Farmington Home For The Aged	RC 690,000	0
	Community Living Association	RC 355,000	0
		$18,380,000	$0
1994B	York Hospital	H 2,130,000	0
	St Joseph Hospital	H 20,355,000	0
	Redington-Fairview Genl Hosp	H 7,060,000	0
	Maine College Of Art & Design Maine College Of Art	C 4,205,000	0
	Houlton Regional Hospital	H 4,145,000	0
	College Of The Atlantic	C 2,565,000	0
		$40,460,000	$0
1995A	University Of New England	C 17,120,000	0
	Spurwink School, The	CMH 920,000	0
	Goodwill Industries Of Northern New England Goodwill Industries Of Maine	CMH 2,930,000	0
	Bowdoin College	C 12,315,000	0
		$33,285,000	$0
1995B	Bowdoin College	C 17,535,000	0
		$17,535,000	$0
1995C	Sweetser	CMH 2,325,000	0
	Penobscot Bay Medical Center	H 8,155,000	0
	Mid-Coast Hospital	H 3,265,000	0
		$13,745,000	$0
1996A	SMHC-Goodall Hospital Southern Maine Health Care-Sanford Campus f/k/a Goodall Hospital	H 6,955,000	0
	Maine Coast Hospital Maine Coast Memorial Hospital	H 1,455,000	0
	LincolnHealth-Miles Campus	H 640,000	0
	Kno-Wal-Lin Home Health Care Inc.	SS 1,095,000	0
	John F. Murphy Homes	C 1,395,000	0
	Houlton Regional Hospital	H 2,910,000	0
	Families United	CMH 460,000	0
	Colby College	C 13,605,000	0
		$28,515,000	$0
1996B	Western Maine Health Care	NH 2,690,000	0
	St Joseph's College	C 4,380,000	0
	Spurwink School, The	CMH 5,270,000	0
	Maine Medical Center	H 29,515,000	0
		$41,855,000	$0
1997A	Bates College	C 8,310,000	0
		$8,310,000	$0
1997B	Spurwink School, The	CMH 1,310,000	0
	SMHC-Goodall Hospital Southern Maine Health Care-Sanford Campus f/k/a Goodall Hospital	H 1,780,000	0
	Maine General Medical Center	H 49,550,000	0
		$52,640,000	$0
1998A	York Hospital	H 2,500,000	0
	Mount Desert Island Hospital	H 2,145,000	0
	Mercy Hospital	H 18,205,000	0
	JHA Properties, Inc	RC 15,365,000	0
	Downeast Community Hospital	H 9,960,000	0
	Colby College	C 10,970,000	0
	Bowdoin College	C 14,345,000	0
	Blue Hill Hospital Blue Hill Memorial Hospital	H 3,310,000	0
		$76,800,000	$0

1998B	Thomas College	C 2,615,000	0
	St Joseph's College	C 8,330,000	0
	St Joseph Hospital	H 17,105,000	0
	Spurwink School, The	CMH 1,175,000	0
	Redington-Fairview Genl Hosp	H 7,320,000	0
	Parkview Adventist Medical Ctr	H 3,450,000	0
	Maine College Of Art & Design Maine College Of Art	C 4,700,000	0
	LincolnHealth-Cove's Edge Facility (Designated Affiliate) LincolnHealth-Cove's Edge Facility	NH 4,495,000	0
	Houlton Regional Hospital	H 4,555,000	0
	Home for Aged-The Park Danforth	RC 5,990,000	0
	Eastern Maine Medical Center	H 15,295,000	0
	College Of The Atlantic	C 3,965,000	0
	Acadia Hospital	H 21,545,000	0
		$100,540,000	$0
1998C	Waldo County General Hospital Waldo County General Hosp	H 9,835,000	0
	Tri-County Mental Health	CMH 645,000	0
	Medical Care Development	RC 3,435,000	0
	LincolnHealth-St. Andrew's Campus	H 11,055,000	0
	Bowdoin College	C 5,615,000	0
		$30,585,000	$0
1999A	York Hospital	H 5,240,000	0
	St. Mary's Regional Medical Center	H 6,385,000	0
	St Joseph Hospital	H 3,450,000	0
	SMHC-Southern Maine Medical Center Southern Maine Health Care-Biddeford Campus(Southern Maine Medical Center)	H 12,670,000	0
	Phillips-Strickland House	RC 4,795,000	0
	Penobscot Bay Medical Center	H 9,860,000	0
	Maine Medical Center	H 23,460,000	0
	LincolnHealth-Miles Campus	H 4,500,000	0
	Kennebec Behavioral Health	CMH 1,165,000	0
	Eastern Maine Medical Center	H 26,860,000	0
		$98,385,000	$0
1999B	York Hospital	H 3,860,000	0
	Sweetser	CMH 2,730,000	0
	Mid-Coast Hospital	H 28,795,000	0
	John F. Murphy Homes	C 1,300,000	0
	Goodwill Industries Of Northern New England Goodwill Industries Of Maine	CMH 3,900,000	0
	Community Partners, Inc.	RC 920,000	0
		$41,505,000	$0
2000A	Bates College	C 11,755,000	0
		$11,755,000	$0
2000B	Bates College	C 12,685,000	0
		$12,685,000	$0
2000C	York Hospital	H 4,205,000	0
	St Joseph's College	C 8,590,000	0
	Quarry Hill Retirement Community (Designated Affiliate) Quarry Hill Retirement Community f/k/a Camden Health Care Center	NH 17,105,000	0
	Penobscot Bay Medical Center	H 1,750,000	0
	Martin's Point Health Care	CH 11,420,000	0
	Lincoln Home, The	RC 4,680,000	0
	Husson University	C 3,790,000	0
		$51,540,000	$0

2001A	University Of New England	C 9,825,000	0
	St. Mary's Regional Medical Center	H 3,205,000	0
	St Joseph Hospital	H 1,990,000	0
	Rumford Community Home	NH 3,060,000	0
	Mercy Hospital	H 2,555,000	0
	Goodwill Industries Of Northern New England Goodwill Industries Of Maine	CMH 2,490,000	0
	Franklin Memorial Hospital	H 11,270,000	0
	Bridgton Hospital	H 9,415,000	0
	Birch Bay Retirement Village	RC 9,625,000	0
	A R Gould Hospital Aroostook Medical Center, The	H 13,150,000	0
		$66,585,000	$0
2001B	Sebasticook Valley Hospital	H 5,495,000	0
	Maine Coast Hospital Maine Coast Memorial Hospital	H 3,050,000	0
	Catholic Charities Of Maine	CMH 2,070,000	0
		$10,615,000	$0
2001C	Colby College	C 11,485,000	0
	Bowdoin College	C 16,080,000	0
		$27,565,000	$0
2001D	York Hospital	H 1,470,000	0
	University Of New England	C 19,195,000	0
	Sweetser	CMH 4,720,000	0
	Seventy Five State Street	RC 3,980,000	0
	Maine Medical Center	H 10,535,000	0
	LincolnHealth-Miles Campus	H 3,865,000	0
	LincolnHealth-Cove's Edge Facility (Designated Affiliate) LincolnHealth-Cove's Edge Facility	NH 5,015,000	0
	John F. Murphy Homes	C 1,920,000	0
		$50,700,000	$0
2002A	St Joseph Hospital	H 4,875,000	0
	SMHC-Goodall Hospital Southern Maine Health Care-Sanford Campus f/k/a Goodall Hospital	H 6,610,000	0
	Sebasticook Valley Hospital	H 750,000	0
	Penobscot Valley Hospital	H 1,795,000	0
	MBH-Spring Harbor Hospital Maine Behavioral Healthcare d/b/a Spring Harbor Hospital	H 28,665,000	0
	Calais Regional Hospital	H 1,300,000	0
	Birch Bay Retirement Village	RC 2,455,000	0
	A R Gould Hospital Aroostook Medical Center, The	H 9,590,000	0
		$56,040,000	$0
2002B	University Of New England	C 5,730,000	0
	Colby College	C 2,445,000	0
		$8,175,000	$0
2003A	Thomas College	C 4,620,000	0
	St Joseph's College	C 6,295,000	0
	Central Maine Medical Ctr	H 52,165,000	0
		$63,080,000	$0
2003B	St Joseph's College	C 8,560,000	0
	Colby College	C 11,575,000	0
	Bowdoin College	C 35,145,000	0
	Bates College	C 3,965,000	0
		$59,245,000	$0
2003C	York Hospital	H 1,175,000	0
	Maine Coast Hospital Maine Coast Memorial Hospital	H 5,875,000	0
		$7,050,000	$0

2003D	University Of New England	C 11,100,000	0
	Tri-County Mental Health	CMH 1,660,000	0
	Penobscot Bay Medical Center	H 6,340,000	0
	Millinocket Regional Hospital	H 2,320,000	0
	Maine Gen Rehab & Nursing Care	NH 7,565,000	0
	Houlton Regional Hospital	H 4,530,000	0
	Goodwill Industries Of Northern New England	CMH 1,185,000	0
	Goodwill Industries Of Maine Community Living Association	RC 1,180,000	0
		$35,880,000	$0
2004A	University Of New England	C 15,595,000	0
	St. Mary's Regional Medical Center d'Youville Pavilion St. Mary's Regional Medical Center f/k/a d'Youville Pavilion	NH 9,075,000	0
	St. Mary's Regional Medical Center	H 17,835,000	0
	Spurwink School, The	CMH 10,095,000	0
	Penobscot Bay Medical Center	H 7,585,000	0
	Maine Maritime Academy	C 2,980,000	0
	Inland Hospital	H 4,430,000	0
	Goodwill Industries Of Northern New England	CMH 2,675,000	0
	Goodwill Industries Of Maine Continuing Care Lakewood Lakewood dba Lakewood Cont Care	NH 1,800,000	0
	Community Living Association	RC 245,000	0
		$72,315,000	$0
2004B	York Hospital	H 1,910,000	0
	Sweetser	CMH 5,160,000	0
	Sebasticook Valley Hospital	H 805,000	0
	Piper Shores	CCR 32,445,000	0
	John F. Murphy Homes	C 1,945,000	0
		$42,265,000	$0
2005A	Colby College	C 18,325,000	0
	Bowdoin College	C 30,000,000	0
		$48,325,000	$0
2005B	Central Maine Medical Ctr	H 28,325,000	0
		$28,325,000	$0
2006A	The Opportunity Alliance The Opportunity Alliance f/k/a Youth Alternatives, Inc.	SS 4,690,000	0
	Maine General Medical Center	H 32,045,000	0
	Maine Gen Retirement Community	CCR 10,695,000	0
	Inland Hospital	H 1,405,000	0
	Houlton Regional Hospital	H 1,460,000	0
	Franklin Memorial Hospital	H 1,560,000	0
		$51,855,000	$0
2006B	University Of New England	C 9,435,000	0
	Bowdoin College	C 9,370,000	0
	Bates College	C 37,990,000	0
		$56,795,000	$0
2006C	Maine Medical Center	H 31,575,000	0
		$31,575,000	$0
2006D	Maine Medical Center	H 19,975,000	0
		$19,975,000	$0
2006E	Maine Medical Center	H 86,250,000	0
		$86,250,000	$0

2006F	York Hospital	H 2,305,000	0
	University Of New England	C 12,355,000	0
	SMHC-Southern Maine Medical Center Southern Maine Health Care-Biddeford Campus(Southern Maine Medical Center)	H 17,710,000	0
	SMHC-Goodall Hospital Southern Maine Health Care-Sanford Campus f/k/a Goodall Hospital	H 6,470,000	0
	Seventy Five State Street	RC 3,880,000	0
	Penobscot Bay Medical Center	H 2,135,000	0
	Mount Desert Island Hospital	H 820,000	0
	Maine Community College System	C 24,340,000	0
	Maine College Of Art & Design Maine College Of Art	C 2,285,000	0
	Franklin Memorial Hospital	H 14,795,000	0
	Bartlett Woods Knox Housing Pres d/b/a Bartlett House	RC 2,030,000	0
		$89,125,000	$0
2006G	Colby College	C 14,200,000	0
		$14,200,000	$0
2006H	Mercy Hospital	H 68,400,000	0
		$68,400,000	$0
2007A	York Hospital	H 7,340,000	0
	St Joseph's College	C 10,460,000	0
	Spurwink School, The	CMH 2,965,000	0
	SMHC-Goodall Hospital MaineHealth (SMHC-Goodall Hospital)	H 5,560,000	0
	Quarry Hill Retirement Community (Designated Affiliate) Quarry Hill Retirement Community f/k/a Camden Health Care Center	NH 15,560,000	0
	Mid-Coast Hospital	H 26,420,000	0
	Martin's Point Health Care	CH 10,395,000	0
	Kno-Wal-Lin Home Health Care Inc.	SS 895,000	0
	John F. Murphy Homes	C 1,750,000	0
	Houlton Regional Hospital	H 2,345,000	0
	Goodwill Industries Of Northern New England Goodwill Industries Of Maine	CMH 3,545,000	0
	Colby College	C 9,260,000	0
		$96,495,000	$0
2007B	St. Mary's Regional Medical Center	H 6,685,000	0
	Redington-Fairview Genl Hosp	H 23,345,000	0
	Penobscot Bay Medical Center	H 6,220,000	0
	Mount Desert Island Hospital	H 4,855,000	0
	Inland Hospital	H 3,185,000	0
	Downeast Community Hospital	H 1,035,000	0
	Continuing Care Lakewood Lakewood dba Lakewood Cont Care	NH 7,010,000	0
	College Of The Atlantic	C 6,610,000	0
	Colby College	C 11,525,000	0
		$70,470,000	$0
2008A	Maine Medical Center	H 107,180,000	0
		$107,180,000	$0
2008B	Maine Medical Center	H 25,985,000	0
		$25,985,000	$0
2008C	York Hospital	H 1,705,000	0
	University Of New England	C 24,605,000	0
	Penobscot Bay Medical Center	H 6,450,000	0
	Morrison Developmental Center	SS 3,145,000	0
	John F. Murphy Homes	C 720,000	0
	Colby College	C 12,915,000	0
		$49,540,000	$0

2008D	York Hospital	H 2,790,000	0
	Mid-Coast Hospital	H 12,490,000	0
	Maine Coast Hospital Maine Coast Memorial Hospital	H 6,960,000	0
	Houlton Regional Hospital	H 3,600,000	0
	Bates College	C 15,895,000	0
		$41,735,000	$0
2009A	York Hospital	H 1,745,000	0
	University Of New England	C 28,650,000	0
	Goodwill Industries Of Northern New England Goodwill Industries Of Maine	CMH 6,270,000	0
	Central Maine Medical Ctr	H 56,115,000	0
		$92,780,000	$0
2010A	Eastern Maine Medical Center EMHS-d/b/a Northern Light Eastern Maine Medical Center	H 70,875,000	0
	Bates College	C 13,600,000	0
	Acadia Hospital EMHS d/b/a Northern Light Acadia Hospital	H 12,765,000	0
		$97,240,000	$0
2010B	York Hospital	H 3,770,000	290,000
	Thomas College	C 1,560,000	0
	St. Mary's Regional Medical Center	H 7,825,000	0
	St Joseph's College	C 4,725,000	0
	St Joseph Hospital	H 12,920,000	0
	Spurwink School, The	CMH 1,495,000	310,000
	SMHC-Southern Maine Medical Center MaineHealth (SMHC-Southern Maine Medical Center)	H 5,345,000	0
	Seventy Five State Street	RC 2,610,000	0
	Redington-Fairview Genl Hosp	H 3,930,000	0
	Phillips-Strickland House	RC 3,800,000	0
	Parkview Adventist Medical Ctr	H 1,700,000	0
	Mount Desert Island Hospital	H 1,075,000	0
	Medical Care Development	RC 905,000	0
	Maine College Of Art & Design Maine College Of Art	C 2,865,000	0
	Lincoln Home, The	RC 3,870,000	0
	John F. Murphy Homes	C 1,780,000	0
	Husson University	C 3,090,000	0
	Houlton Regional Hospital	H 2,965,000	0
	Downeast Community Hospital	H 5,480,000	0
	Colby College	C 7,025,000	0
	Blue Hill Hospital Blue Hill Memorial Hospital	H 2,425,000	0
	Birch Bay Retirement Village	RC 8,375,000	0
	A R Gould Hospital Aroostook Medical Center, The	H 7,220,000	0
		$96,755,000	$600,000
2010C	Mercy Hospital	H 11,275,000	0
		$11,275,000	$0
2011A	Maine Medical Center MaineHealth (Maine Medical Center)	H 17,285,000	0
	LincolnHealth-St. Andrew's Campus MaineHealth (LincolnHealth-St. Andrew's Campus)	H 8,085,000	0
	LincolnHealth-Miles Campus MaineHealth (LincolnHealth-Miles Campus)	H 5,305,000	0
	LincolnHealth-Cove's Edge Facility (Designated Affiliate) LincolnHealth-Cove's Edge Facility(Maine Healthcare Designed Affiliate)	NH 5,860,000	965,000
		$36,535,000	$965,000
2011B	Maine Medical Center	H 3,440,000	0
		$3,440,000	$0

2011C	University Of New England	C 23,220,000	0
	Maine Coast Hospital Maine Coast Memorial Hospital	H 1,865,000	0
	Goodwill Industries Of Northern New England Goodwill Industries Of Maine	CMH 2,005,000	0
	Franklin Memorial Hospital MaineHealth (Franklin Memorial Hospital)	H 9,360,000	0
	College Of The Atlantic	C 2,485,000	0
		$38,935,000	$0
2012A	University Of New England	C 4,340,000	0
	St Joseph Hospital	H 1,965,000	0
	Penobscot Valley Hospital	H 1,060,000	0
	Penobscot Bay Medical Center MaineHealth (Penobscot Bay Medical Center)	H 4,025,000	0
	MBH-Spring Harbor Hospital MaineHealth (MBH-Spring Harbor Hospital)	H 21,595,000	0
	Birch Bay Retirement Village	RC 1,870,000	0
	A R Gould Hospital Aroostook Medical Center, The	H 5,870,000	0
		$40,725,000	$0
2013A	University Of New England	C 6,025,000	0
	St Joseph's College	C 8,575,000	0
	Spurwink School, The Spurwink School, The (Tri-County Mental Health)	CMH 1,275,000	150,000
	Spurwink School, The Spurwink School, The (Community Partners)	CMH 390,000	0
	Millinocket Regional Hospital	H 1,265,000	0
	Maine Gen Rehab & Nursing Care	NH 2,565,000	0
	Maine Coast Hospital Maine Coast Memorial Hospital	H 4,395,000	0
	Houlton Regional Hospital	H 2,380,000	0
	Central Maine Medical Ctr	H 37,160,000	19,435,000
		$64,030,000	$19,585,000
2014A	Waldo County General Hospital MaineHealth (Waldo County General Hosp)	H 6,220,000	2,190,000
	University Of New England	C 8,895,000	0
	Thomas College	C 3,300,000	1,760,000
	St. Mary's Regional Medical Center d'Youville Pavilion St. Mary's Regional Medical Center f/k/a d'Youville Pavilion	NH 2,450,000	0
	St. Mary's Regional Medical Center	H 8,490,000	0
	Spurwink School, The	CMH 5,635,000	0
	Penobscot Bay Medical Center MaineHealth (Penobscot Bay Medical Center)	H 6,665,000	450,000
	Goodwill Industries Of Northern New England Goodwill Industries Of Maine	CMH 1,530,000	0
		$43,185,000	$4,400,000
2015A	The Opportunity Alliance The Opportunity Alliance f/k/a Youth Alternatives, Inc.	SS 3,760,000	2,365,000
	Maine General Medical Center	H 14,810,000	0
	Maine Gen Retirement Community	CCR 6,005,000	0
	John F. Murphy Homes	C 1,005,000	0
	Inland Hospital EMHS-d/b/a Northern Light Inland Hospital	H 995,000	470,000
	Houlton Regional Hospital	H 820,000	100,000
		$27,395,000	$2,935,000

2016A	University Of New England	C 15,625,000	0
	SMHC-Southern Maine Medical Center MaineHealth (SMHC-Southern Maine Medical Center)	H 10,290,000	220,000
	SMHC-Goodall Hospital MaineHealth (SMHC-Goodall Hospital)	H 3,635,000	75,000
	Seventy Five State Street	RC 2,560,000	0
	Penobscot Bay Medical Center MaineHealth (Penobscot Bay Medical Center)	H 1,180,000	25,000
	Maine Community College System	C 19,010,000	12,345,000
	Maine College Of Art & Design Maine College Of Art	C 1,640,000	1,065,000
	Franklin Memorial Hospital MaineHealth (Franklin Memorial Hospital)	H 10,900,000	7,080,000
		$64,840,000	$20,810,000
2017A	York Hospital	H 4,355,000	2,160,000
	St Joseph's College	C 6,050,000	2,780,000
	Rumford Community Home	NH 1,750,000	0
	Quarry Hill Retirement Community (Designated Affiliate) Quarry Hill Retirement Community f/k/a Camden Health Care Center	NH 9,315,000	4,880,000
	Houlton Regional Hospital	H 1,220,000	260,000
	Central Maine Medical Ctr	H 10,890,000	4,430,000
	Bridgton Hospital	H 5,420,000	3,120,000
		$39,000,000	$17,630,000
2017B	St. Mary's Regional Medical Center	H 4,945,000	0
	Redington-Fairview Genl Hosp	H 16,895,000	12,880,000
	Penobscot Bay Medical Center MaineHealth (Penobscot Bay Medical Center)	H 7,970,000	4,920,000
	Mount Desert Island Hospital	H 1,710,000	0
	Inland Hospital EMHS-d/b/a Northern Light Inland Hospital	H 2,290,000	1,750,000
	Continuing Care Lakewood EMHS-d/b/a Northern Light Continuing Care Lakewood	NH 5,020,000	3,835,000
	College Of The Atlantic	C 4,800,000	3,670,000
		$43,630,000	$27,055,000
2019A	York Hospital	H 2,250,000	700,000
	Houlton Regional Hospital	H 2,535,000	2,070,000
	Goodwill Industries Of Northern New England	CMH 3,885,000	2,835,000
	Central Maine Medical Ctr	H 45,970,000	38,010,000
		$54,640,000	$43,615,000
2019B	York Hospital	H 3,755,000	3,145,000
	Northern Maine Medical Center	H 14,035,000	12,095,000
	John F. Murphy Homes	C 6,960,000	6,350,000
	Downeast Community Hospital	H 6,515,000	5,365,000
	Bartlett Woods Bartlett Woods f/k/a Knox Housing Pres d/b/a Bartlett House	RC 5,150,000	4,540,000
		$36,415,000	$31,495,000
2019C	Eastern Maine Medical Center EMHS-d/b/a Northern Light Eastern Maine Medical Center	H 42,350,000	30,495,000
		$42,350,000	$30,495,000
2020A	St. Mary's Regional Medical Center	H 4,290,000	0
	St Joseph's College	C 2,315,000	1,255,000
	St Joseph Hospital	H 4,515,000	0
	Phillips-Strickland House	RC 2,060,000	1,335,000
	Lincoln Home, The	RC 2,085,000	1,360,000
	Husson University	C 1,675,000	1,090,000
	Birch Bay Retirement Village	RC 4,725,000	3,255,000
		$21,665,000	$8,295,000

2020B	St Joseph's College	C 2,105,000	1,815,000
	Mount Desert Island Hospital	H 7,090,000	6,100,000
	Downeast Community Hospital	H 3,910,000	3,370,000
		$13,105,000	$11,285,000
2021A	Maine College Of Art & Design Maine College Of Art	C 2,695,000	1,570,000
	Eastern Maine Healthcare EMHS-Eastern Maine Healthcare Systems d/b/a Northern Light Health	H 83,370,000	75,205,000
		$86,065,000	$76,775,000
2021B	Eastern Maine Healthcare EMHS-Eastern Maine Healthcare Systems d/b/a Northern Light Health	H 156,870,000	143,215,000
		$156,870,000	$143,215,000
2021C	Maine Maritime Academy	C 11,200,000	8,670,000
	College Of The Atlantic	C 8,515,000	8,120,000
	Cheverus High School	C 720,000	690,000
		$20,435,000	$17,480,000
2022A	Penobscot Community Health Center	CH 7,750,000	7,500,000
	Northern Maine Medical Center	H 39,480,000	38,440,000
	Birch Bay Retirement Village	RC 1,080,000	900,000
		$48,310,000	$46,840,000
2022B	Penobscot Community Health Center	CH 1,395,000	1,170,000
		$1,395,000	$1,170,000
2022C	Maine Coast Hospital EMHS-d/b/a Northern Light Maine Coast Hospital	H 2,555,000	2,490,000
	John F. Murphy Homes	C 6,455,000	6,125,000
	C.A. Dean Hosptial EMHS-d/b/a Northern Light C.A. Dean Hosptial	H 15,610,000	15,225,000
	Blue Hill Hospital EMHS-d/b/a Northern Light Blue Hill Hospital	H 20,200,000	19,700,000
	Acadia Hospital EMHS d/b/a Northern Light Acadia Hospital	H 40,765,000	39,760,000
		$85,585,000	$83,300,000
2023A	St Joseph's College	C 4,735,000	4,515,000
	Maine Veterans Home	NH 21,125,000	20,820,000
	Maine Maritime Academy	C 25,450,000	24,135,000
	Lincoln Home, The	RC 2,165,000	2,135,000
	Fish River Rural Health	CH 14,940,000	14,725,000
		$68,415,000	$66,330,000
2023B	North Yarmouth Academy	C 1,045,000	1,030,000
	Mount Desert Island Hospital	H 8,935,000	8,785,000
	Maine Medical Center MaineHealth (Maine Medical Center)	H 79,865,000	79,865,000
	Houlton Regional Hospital	H 2,130,000	2,070,000
	Hometown Health Center	CH 30,445,000	30,445,000
		$122,420,000	$122,195,000
2024A	York Hospital	H 5,055,000	5,055,000
	Southern Maine Agency on Aging	SS 1,050,000	1,050,000
	Penobscot Community Health Center	CH 9,305,000	9,305,000
	Martin's Point Health Care	CH 63,355,000	63,355,000
	Knox County Health Center	CH 2,495,000	2,495,000
	Gould Academy	C 5,145,000	5,145,000
		$86,405,000	$86,405,000

2025A	Foxcroft Academy	C 13,295,000	13,295,000
	College of the Atlantic	C 2,970,000	2,970,000
	Jesup Memorial Library	SS 4,140,000	4,140,000
	John F. Murphy Homes	RC 14,880,000	14,880,000
	North Yarmouth Academy	C 6,620,000	6,620,000
	Northern Maine Medical Center	H 12,070,000	12,070,000
	Redington-Fairview Hospital	H 17,540,000	17,540,000
	Woodford Family Services	CH 6,625,000	6,625,000
		$78,140,000	$78,140,000
	TOTALS	$4,005,475,000	$941,015,000

H Hospitals
NH Long Term Care Facilities
C Educational Institutions
CMH Community Mental Health Care Facilities
RC Residential Care Facilities
CH Community Health Care Facilities
SS Social Services
CCR Continuing Care Retirement Communities

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APPENDIX B

FINANCIAL STATEMENTS OF THE AUTHORITY

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BAKER NEWMAN NOYES

Maine Health and Higher Educational Facilities Authority

Basic Financial Statements and
Management's Discussion and Analysis

For the Year Ended June 30, 2024
With Independent Auditors' Report

Baker Newman & Noyes LLC
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MAINE HEALTH AND HIGHER EDUCATIONAL FACILITIES AUTHORITY

BASIC FINANCIAL STATEMENTS AND MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended June 30, 2024

TABLE OF CONTENTS

BAKER NEWMAN NOYES

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INDEPENDENT AUDITORS' REPORT

To the Members of
Maine Health and Higher Educational Facilities Authority

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements, consisting of the Operating Fund and Reserve Fund of Maine Health and Higher Educational Facilities Authority (the Authority), which comprise the statements of net position as of June 30, 2024, the related statements of revenues, expenses and changes in net position, and cash flows for the year then ended, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents. The Authority is a component unit of the State of Maine.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Authority, as well as the individual fund groups referred to above, as of June 30, 2024, and the respective changes in financial position and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. 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 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 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 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 Authority'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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority'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.

To the Members of
Maine Health and Higher Educational Facilities Authority

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during the audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Baker Newman & Noyes LLC

Portland, Maine
October 10, 2024

MAINE HEALTH AND HIGHER EDUCATIONAL FACILITIES AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2024

As financial management of the Maine Health and Higher Educational Facilities Authority (the Authority), we offer readers of these financial statements this narrative, overview, and analysis of the financial activities of the Authority for the fiscal year ended June 30, 2024. This discussion and analysis is designed to assist the reader in focusing on the significant financial matters and activities of the Authority and to identify any significant changes in net position. We encourage readers to consider the information presented here in conjunction with the basic financial statements as a whole.

Management Overview

The Authority is pleased to report its fourth consecutive year of strong asset growth in the Reserve Fund program as it remains on track to achieve the growth targets of $1 billion by 2026. In October of 2020, the Reserve Fund had hit a multiyear low of $365 million in bonds outstanding. This low point was followed by a complete strategic overhaul and a five-year growth plan that was adopted by the Board in January 2021. In fiscal year 2024, the Reserve Fund grew to approximately $811 million in bonds outstanding and had an additional $86 million that closed in early fiscal year 2025. The outlook for the fiscal year 2025 is positive with an estimated net increase in the range of $125 million to $250 million, of which $86 million has already closed.

While the majority of our growth can be attributed to the two largest healthcare institutions in the State – Northern Light Health and MaineHealth, we have been getting more participation from the smaller regional hospitals, Federally Qualified Health Centers (FQHC) and finally education. FQHCs represent our fastest growing segment in terms of new borrowers and account for over $65 million of bonds outstanding through 2024. The FQHCs and small private schools have helped broaden our diversification and counteract the consolidation trend amongst the large healthcare institutions. The Reserve Fund has grown at the expense of diversification with a high concentration among the top ten borrowers. The long-term goal is to be diversified at a level that allows us to be classified as a "pooled loan" program. However, the current classification as a State Moral Obligation program has supported our accelerated growth under a stable credit and outlook. In May, the Reserve Fund benefitted from a credit upgrade (Aa3) by Moody's on the basis of the strong financial position of the State as well as sound program management.

During fiscal year 2024, the conduit program added $87 million of conduit debt from MaineHealth and, subsequent to June 30, 2024, added $187 million in new debt from Northeastern University that closed at the beginning of fiscal year 2025. The outlook for the conduit program is to maintain a bonds outstanding total between $1.25 and $1.5 billion without much volatility.

- The Operating Fund produced a gain of $960,997 for the year due to increased fee revenue, investment income and positive fair market value adjustments for our investment portfolio.
- The Authority's gross bonds outstanding of $810,640,000 within the Reserve Fund Resolution at June 30, 2024 represents a net increase of $154,775,000 or 23.6% from the balance at June 30, 2023. This net increase is due to the issuance of the 2023A and 2023B Reserve Fund bonds (par of $68,415,000 and $122,420,000 respectively). There were also bonds that were in-substance defeased totaling $5,065,000 and scheduled bond repayments of $30,995,000.
- The Authority's loans receivable from institutions at June 30, 2024 of $730,875,044 represents a net increase of $139,624,844 or 23.6% from the balance at June 30, 2023. This increase is the result of the bond issuances described above and repayment of loans by institutions during fiscal year 2024.

Overview of the Authority

The Authority was created in 1972 by an Act of the Maine Legislature, as a public body corporate and politic and is constituted as an instrumentality, exercising public and essential governmental functions of the State. The Authority was established to issue bonds for the purpose, among other things, of assisting Maine health care institutions and institutions of higher education in the undertaking of projects involving the acquisition, construction, improvement, reconstruction and equipping of health care and educational facilities and the refinancing of existing indebtedness. The Authority, pursuant to the *Student Loan Corporations Act of 1983*, also has the power to finance student loan programs of institutions for higher education, although it is not currently doing so.

As the result of the Authority issuing tax-exempt debt, it is required to prepare arbitrage rebate calculations for each series of tax-exempt bonds outstanding and remit payment to the Internal Revenue Service every five years. The Authority contracts with an arbitrage consultant to maintain and prepare all rebate calculations that will be filed with the Internal Revenue Service. Additionally, for financial reporting purposes, the consultant prepares a liability rebate calculation annually for each outstanding series of bonds on their respective bond's anniversary date.

For financial statement reporting purposes, the Authority is considered a component unit of the State of Maine. However, the Authority does not receive any State appropriations for its operations and is funded from fees charged to participating borrowers and interest earnings on investments.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Authority's financial statements, which are comprised of the basic financial statements and the notes to the financial statements.

Basic Financial Statements

The basic financial statements are designed to provide readers with a broad overview of the Authority's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the Authority's assets and liabilities, with the difference between the two reported as net position. Net position increases when revenues exceed expenses. Increases to assets without a corresponding increase to liabilities result in increased net position, which may indicate an improved financial position.

The statement of revenues, expenses and changes in net position presents information showing how the Authority's net position changed during the fiscal year. Substantially all changes in net position are reported as soon as the underlying event occurs, regardless of timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future periods.

The statement of cash flows is presented using the direct method of reporting which reflects cash flows from operating, financing and investing activities. Cash collections and payments are reflected in this statement to arrive at the net increase or decrease in cash and cash equivalents for the fiscal year.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

Financial Analysis

Net position may serve, over time, as a useful indicator of a government's financial position. In the case of the Authority's Operating Fund, assets exceeded liabilities by $24,058,949 at June 30, 2024. This represents an increase of $960,997 or 4.2% over the previous fiscal year. This increase is the net effect of increases in fees received, investment income, a net increase in the fair value of investments and increase in expenses. In the case of the Reserve Fund, assets exceeded liabilities by $25,673,717. This represents an increase of $1,526,637 or 6.3% compared to the previous fiscal year. The increase in net position is based primarily on the fair market value adjustment of our investment portfolio.

The Authority's financial position and operations for the past two years are summarized below based on information included in the basic financial statements.

Operating Fund

Statements of Net Position

	2024	2023	% Change
Current assets:			
Cash and cash equivalents	$ 9,302,200	$ 7,136,314	30.4%
Operating investments	14,465,629	15,737,098	(8.1)
Accrued investment income	78,656	31,850	147.0
Fees and other amounts due from Reserve Fund	74,838	57,973	29.1
Other receivables from institutions	156,771	156,813	0.0
Total current assets	24,078,094	23,120,048	4.1
Current liabilities:			
Accounts payable	19,145	22,096	(13.4)
Total current liabilities	19,145	22,096	(13.4)
Net position:			
Unrestricted net position	$24,058,949	$ 23,097,952	4.2%

Reserve Fund

Statements of Net Position

	2024	2023	% Change
Current assets:			
Investments held by trustee	$ 23,316,950	$ 19,069,925	22.3%
Accrued investment income	988,409	667,412	48.1
Loans receivable from institutions	33,193,403	30,239,287	9.8
Interest and other receivables from institutions	2,666,621	953,733	179.6
Total current assets	60,165,383	50,930,357	18.1
Noncurrent assets:			
Investments held by trustee	74,977,915	59,530,067	25.9
Supplemental reserve investments	23,173,709	22,282,856	4.0
Loans receivable from institutions	697,681,641	561,010,913	24.4
Total noncurrent assets	795,833,265	642,823,836	23.8
Total assets	855,998,648	693,754,193	23.4
Current liabilities:			
Bonds payable	34,170,000	30,995,000	10.2
Interest payable	18,038,370	13,648,629	32.2
Fees and other amounts due to operating fund	74,838	57,973	29.1
Accounts payable	24,562	21,970	11.8
Prepayments from institutions	589	13,541	(95.7)
Total current liabilities	52,308,359	44,737,113	16.9
Noncurrent liabilities:			
Bonds payable	776,470,000	624,870,000	24.3
Accrued interest rebate payable to U.S. Government	1,546,572	–	–
Total noncurrent liabilities	778,016,572	624,870,000	24.5
Total liabilities	830,324,931	669,607,113	24.0
Net position:			
Unrestricted net position	$ 25,673,717	$ 24,147,080	6.3%

Operating Fund

Statements of Revenues, Expenses and Changes in Net Position

	2024	2023	% Change
Operating revenues:			
Administrative and other fees	$ 606,362	$ 533,060	13.8%
Income from investments	526,833	315,666	66.9
Net increase (decrease) in the fair value of investments	626,172	(40,693)	1,638.8
Other income	115,062	116,346	(1.1)
Total operating revenues	1,874,429	924,379	102.8
Operating expenses:			
Operating expenses	913,432	783,586	16.6
Total operating expenses	913,432	783,586	16.6
Operating income	960,997	140,793	582.6
Net position, beginning of year	23,097,952	22,957,159	0.6
Net position, end of year	$24,058,949	$23,097,952	4.2%

Reserve Fund

Statements of Revenues, Expenses and Changes in Net Position

	2024	2023	% Change
Operating revenues:			
Interest and other amounts from institutions	$ 29,850,834	$ 23,804,712	25.4%
Income from investments	3,640,867	3,043,208	19.6
Net increase (decrease) in the fair value of investments	501,119	(1,950,519)	125.7
Other income	2,679,855	1,346,140	99.1
Total operating revenues	36,672,675	26,243,541	39.7
Operating expenses:			
Bond issuance costs	2,679,855	1,346,140	99.1
Interest expense	32,351,493	25,673,818	26.0
Other expenses	114,690	107,142	7.0
Total operating expenses	35,146,038	27,127,100	29.6
Operating income (loss)	1,526,637	(883,559)	272.8
Net position, beginning of year	24,147,080	25,030,639	(3.5)
Net position, end of year	$ 25,673,717	$ 24,147,080	6.3%

Operating Fund

Cash and cash equivalents increased $2,165,886 or 30.4% from fiscal year 2023 due to an increase in investment income and timing of investment purchases. Operating investments decreased $1,271,469 or 8.1% due to the investment purchase timing difference.

The fair market value of investments in fiscal year 2024 was an increase of $626,172 compared to a decrease of $40,693 in fiscal year 2023. The increase is the result of fluctuations in the interest rate environment. All investments are carried at fair value, and unrealized gains and losses (primarily due to fluctuations in market interest rates) are recognized in the statement of revenues, expenses, and changes in net position.

Income from investments increased $211,167 or 66.9% from fiscal year 2023. This improvement of investment returns is jointly attributable to the higher interest rate environment in 2024 and the better execution of existing investment policy/strategy through active management of our financial institutions, resulting in lower fees and more timely adjustments to the rate we earn on cash holdings.

The Maine Municipal Bond Bank (Bond Bank) administers and manages the Maine Health and Higher Educational Facilities Authority program under the direction of the Authority's Board of Commissioners. The Authority reimburses the Bond Bank for its proportionate share of personnel services, office space, equipment rental, and other overhead expenses. The Authority recognized approximately $683,000 and $573,000 of expenses under this arrangement in fiscal years 2024 and 2023, respectively.

Reserve Fund

Investments held by trustee increased by $19,694,873 or 25.1% from fiscal year 2023 due primarily to the issuance of the 2023A and 2023B bonds in addition to an increase in the fair value of investments.

Accrued investment income increased $320,997 or 48.1% from fiscal year 2023 as the Authority maximized investments in the rising rate environment.

Interest and other receivables from institutions increased $1,712,888 or 179.6% from fiscal year 2023 due to an increase in capital interest funds expected to be used for debt service payments. Capital interest is off book and is therefore a receivable/revenue to the reserve resolution. Interest and other receivables also increased due to a portion of investment rebate payable that is offset by other receivables from the institutions.

Accrued interest rebate payable to the U.S. Government increased by $1,546,572 over fiscal year 2023 as a result of arbitrage in unspent bond proceeds in construction funds.

Interest and other amounts received from institutions in fiscal year 2024 increased $6,046,122 or 25.4% from fiscal year 2023. This increase is the result of the issuances of the 2023A and 2023B bonds. Correspondingly, interest expense has also increased from fiscal year 2023 by $6,677,675 or 26% and interest payable has increased 32.2% or $4,389,741.

The net increase in fair market value of investments in fiscal year 2024 was $501,119 compared to a net decrease of $1,950,519 in fiscal year 2023. The rapid and steep increase in interest rates dramatically impacted holdings. All investments are carried at fair market value, and unrealized gains and losses (primarily due to fluctuations in market interest rates) are recognized in the statements of revenues, expenses and changes in net position. Longer-term maturities are most vulnerable to fair market value markdowns in a rapidly rising rate environment. As these holdings mature, they will revert to par value thus eliminating these unrealized losses. As a matter of policy, in cases where a bond issue pays off early and investments must be sold at market value, the borrowers, not the Authority, are required to make up any valuation shortfalls.

As a result of the increase in new bond issuances, other income and bond issuance costs increased $1,333,715 or 99.1% from fiscal year 2023. The increase relates entirely to higher costs of issuance in 2024, which are reimbursed from the bond issuance accounts and are considered revenue to the Reserve Fund Resolution.

Requests for Information

This financial report is designed to provide a general overview of the Authority's financial statements for all those with an interest in its finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Executive Director, Maine Health and Higher Educational Facilities Authority, 127 Community Drive, Augusta, Maine 04330.

MAINE HEALTH AND HIGHER EDUCATIONAL FACILITIES AUTHORITY

STATEMENTS OF NET POSITION

June 30, 2024

	Operating Fund	Reserve Fund	Total
ASSETS			
Current assets:			
Cash and cash equivalents	$ 9,302,200	$ –	$ 9,302,200
Investments held by trustee	–	23,316,950	23,316,950
Operating investments	14,465,629	–	14,465,629
Accrued investment income	78,656	988,409	1,067,065
Loans receivable from institutions	–	33,193,403	33,193,403
Interest and other receivables from institutions	–	2,666,621	2,666,621
Fees and other amounts due from Reserve Fund	74,838	–	74,838
Other receivables from institutions	156,771	–	156,771
Total current assets	24,078,094	60,165,383	84,243,477
Noncurrent assets:			
Investments held by trustee	–	74,977,915	74,977,915
Supplemental reserve investments	–	23,173,709	23,173,709
Loans receivable from institutions	–	697,681,641	697,681,641
Total noncurrent assets	–	795,833,265	795,833,265
Total assets	24,078,094	855,998,648	880,076,742
LIABILITIES			
Current liabilities:			
Bonds payable	–	34,170,000	34,170,000
Interest payable	–	18,038,370	18,038,370
Fees and other amounts due to Operating Fund	–	74,838	74,838
Accounts payable	19,145	24,562	43,707
Prepayments from institutions	–	589	589
Total current liabilities	19,145	52,308,359	52,327,504
Noncurrent liabilities:			
Bonds payable	–	776,470,000	776,470,000
Accrued interest rebate payable to U.S. Government	–	1,546,572	1,546,572
Total noncurrent liabilities	–	778,016,572	778,016,572
Total liabilities	19,145	830,324,931	830,344,076
NET POSITION			
Unrestricted net position	$24,058,949	$ 25,673,717	$ 49,732,666

See accompanying notes.

MAINE HEALTH AND HIGHER EDUCATIONAL FACILITIES AUTHORITY

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

Year Ended June 30, 2024

	Operating Fund	Reserve Fund	Total
Operating revenues:			
Interest and other amounts from institutions	$ –	$ 29,850,834	$ 29,850,834
Administrative and other fees	606,362	–	606,362
Income from investments	526,833	3,640,867	4,167,700
Net increase in the fair value of investments	626,172	501,119	1,127,291
Other income	115,062	2,679,855	2,794,917
Total operating revenues	1,874,429	36,672,675	38,547,104
Operating expenses:			
Bond issuance costs	–	2,679,855	2,679,855
Interest expense	–	32,351,493	32,351,493
Operating expenses	913,432	–	913,432
Other expenses	–	114,690	114,690
Total operating expenses	913,432	35,146,038	36,059,470
Operating income	960,997	1,526,637	2,487,634
Net position, beginning of year	23,097,952	24,147,080	47,245,032
Net position, end of year	$24,058,949	$ 25,673,717	$ 49,732,666

See accompanying notes.

MAINE HEALTH AND HIGHER EDUCATIONAL FACILITIES AUTHORITY

STATEMENTS OF CASH FLOWS

Year Ended June 30, 2024

	Operating Fund	Reserve Fund	Total
Operating activities:			
Cash received from institutions	$ 589,538	$ 59,670,032	$ 60,259,570
Cash payments to institutions	–	(170,189,231)	(170,189,231)
Cash received from other income	115,062	–	115,062
Cash payments for operating and other expenses	(916,382)	(112,098)	(1,028,480)
Net cash used by operating activities	(211,782)	(110,631,297)	(110,843,079)
Noncapital financing activities:			
Proceeds from bonds payable	–	199,475,441	199,475,441
Principal paid on bonds payable	–	(30,995,000)	(30,995,000)
Interest paid on bonds payable	–	(27,961,752)	(27,961,752)
Bonds and other proceeds passed on to borrowers	–	(5,623,390)	(5,623,390)
Paid to refunding escrow	–	(5,077,096)	(5,077,096)
Issuance cost paid	–	(2,679,855)	(2,679,855)
Net cash provided by noncapital financing activities	–	127,138,348	127,138,348
Investing activities:			
Purchase of investment securities	(5,575,414)	(241,698,724)	(247,274,138)
Proceeds from sale and maturities of investment securities	7,473,053	221,614,117	229,087,170
Income received from investments and advances	480,029	3,577,556	4,057,585
Net cash provided (used) by investing activities	2,377,668	(16,507,051)	(14,129,383)
Increase in cash and cash equivalents	2,165,886	–	2,165,886
Cash and cash equivalents, beginning of year	7,136,314	–	7,136,314
Cash and cash equivalents, end of year	$ 9,302,200	$ –	$ 9,302,200

MAINE HEALTH AND HIGHER EDUCATIONAL FACILITIES AUTHORITY

STATEMENTS OF CASH FLOWS (CONTINUED)

Year Ended June 30, 2024

	Operating Fund	Reserve Fund	Total
Reconciliation of operating income to net cash used by operating activities:			
Operating income	$ 960,997	$ 1,526,637	$ 2,487,634
Adjustments to reconcile operating income to net cash used by operating activities:			
Investment and interest income	(526,833)	(3,640,867)	(4,167,700)
Net increase in the fair value of investments	(626,172)	(501,119)	(1,127,291)
Interest expense on bonds payable	–	32,351,493	32,351,493
Change in assets and liabilities:			
Loans receivable from institutions	–	(139,949,944)	(139,949,944)
Fees receivable from trusteed funds	(16,865)	16,865	–
Interest and other receivables from institutions	–	(1,970,574)	(1,970,574)
Accrued interest rebate payable to U.S. Government	–	1,546,572	1,546,572
Fees and other receivable from institutions	42	–	42
Accounts payable	(2,951)	2,592	(359)
Prepayments from institutions	–	(12,952)	(12,952)
Net cash used by operating activities	$ (211,782)	$ (110,631,297)	$ (110,843,079)

See accompanying notes.

1. Organization

The Maine Health and Higher Educational Facilities Authority (the Authority) is constituted as an instrumentality and is a component unit of the State of Maine, organized and existing under and pursuant to M.R.S.A., Title 22, Chapter 413, Sections 2051 to 2074, inclusive and as amended by Chapter 584 of the Public Laws of 1991.

The purpose of the Authority, among others, is to assist Maine health care institutions and institutions for higher education (the institutions) in the undertaking of projects involving the acquisition, construction, improvement, reconstruction and equipping of health care and educational facilities and the refinancing of existing indebtedness. The Authority, pursuant to the *Student Loan Corporations Act of 1983*, also has the power to finance student loan programs of institutions for higher education, although it has not historically and is not currently doing so.

Debt issued by the Authority is not debt of the State of Maine or any political subdivision within the State and the State is not obligated for such debt, nor is the full faith and credit of the State pledged for such debt. The Authority is exempt from federal and State of Maine income taxes.

Legislation enacted in 1991 permitted the Authority to establish a reserve fund which will benefit from a "moral obligation" reserve fund replenishment mechanism from the State of Maine. Although the legislation does not bind or obligate the State, it does permit the legislature to appropriate and pay the Authority the amount necessary to restore the reserve fund to the required amount in the event the fund goes below the statutorily established minimum balance of one year's debt service on outstanding bonds. The legislation also allows the Authority to implement a State funding intercept mechanism which permits the Authority to cause the Treasurer of the State of Maine to withhold funds in the Treasurer's custody that otherwise would be paid to a borrower that has failed or may fail to make a debt service payment and to direct the Treasurer to apply those funds as debt service to the applicable bonds or notes. The State funding intercept is applicable to all future borrowings as well as currently outstanding bond issues, whether or not secured by the "moral obligation" reserve fund replenishment mechanism.

Operating Fund

The Authority's operating fund records the revenues and expenses generated from its daily operations. The Authority has an arrangement with the Maine Municipal Bond Bank (the Bond Bank) whereby the Bond Bank administers and manages the Authority's program, resulting in an allocation of general overhead expenses from the operations of the Bond Bank to the Authority and payment of direct operating expenses of the Authority. The arrangement is approved annually by the Board of Commissioners of the Authority through the budgetary approval process.

In fiscal 2010, the Authority's Board of Directors adopted a resolution establishing a supplemental reserve fund within the Authority's Reserve Fund Resolution. As part of this resolution, $24,221,739 of cash and investments were transferred from the Operating Fund Resolution to the Reserve Fund Resolution, which at the discretion of the Authority, shall serve as additional security for one or more series of bonds. At any time that the reserve fund investments exceed the reserve fund requirement (see note 6), the Authority may transfer any amounts held under the supplemental reserve back to the Authority's operating fund. The investment balance in the supplemental reserve of $23,173,709 at June 30, 2024 is presented as supplemental reserve investments on the statements of net position.

1. Organization (Continued)

Presently, the Authority operates pursuant to the following bond resolutions:

Reserve Fund

These funds and accounts are established under the Authority's Resolution establishing the Maine Health and Higher Educational Facilities' Reserve Fund adopted December 6, 1991. Under this resolution, the Authority issues bonds exempt from federal and State of Maine income taxes for the purpose of providing financing for Maine health and higher educational facilities. Bonds issued under this resolution are secured by all of the reserve funds within the resolution and benefit from the moral obligation reserve fund replenishment mechanism from the State of Maine. Loans to institutions made with proceeds of bonds issued under this resolution are generally written for the net amount of bond proceeds less debt service reserve funds retained by the Authority.

The Authority is required to report materially obligated persons, which are borrowers that constitute more than twenty percent of the outstanding loans under the Reserve Fund Resolution. At June 30, 2024, Eastern Maine Healthcare comprised 42.4% of total loans outstanding in the Reserve Fund.

Taxable Financing Reserve Fund

These funds and accounts are established under the Authority's Resolution establishing the Maine Health and Higher Educational Facilities' Taxable Financing Reserve Fund Resolution adopted December 15, 1992. Under this resolution, the Authority issues bonds exempt from State of Maine income taxes. Bonds issued under this resolution are secured by all of the reserve funds within the resolution and benefit from the moral obligation reserve fund replenishment mechanism from the State of Maine. Loans to institutions made with proceeds of bonds issued under this resolution are generally written for the net amount of bond proceeds less debt service reserve funds retained by the Authority. All bonds within the taxable reserve fund were paid off in prior years. There was no activity in the resolution for fiscal year 2024.

General Resolution

These funds consist of funds and accounts established under the Authority's General Bond Resolution adopted June 5, 1973. Under this resolution, the Authority issues bonds exempt from federal and State of Maine income taxes and assists in financing health care institutions and institutions for higher education. Bonds issued under this resolution may be issued under the original Bond Resolution or under an individual Bond Indenture between the Authority and an institution. Loans to institutions made with proceeds of General Resolution bonds are written for the entire amount of the bonds (including debt service reserve funds). Security for these bonds is limited to debt service reserve funds and the loans to the specific institution for which the bond was issued. Therefore, these bonds are considered conduit debt and are not reflected on the accompanying statements of net position (see note 5).

2. Significant Accounting Policies

Proprietary Fund Accounting

The Authority's operations are, for the most part, financed and operated in a manner similar to private business enterprise, where the intent of the governing body is that the costs of providing goods and services is financed through user charges. Therefore, it meets the criteria for an enterprise fund and is accounted for under the accrual basis of accounting. Accordingly, the Authority recognizes revenues as earned and expenses as incurred.

As discussed below, the Authority complies with Governmental Accounting Standards Board (GASB) statements codified under GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidelines Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements* (GASB 62).

The financial statements are prepared in accordance with GASB Statements No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, No. 37, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments: Omnibus – an amendment of GASB Statement No. 21 and No. 34* and No. 38, *Certain Financial Statement Note Disclosures* (the Statements).

Federal Income Taxes

It is the opinion of management that the Authority is exempt from federal income taxes under Internal Revenue Code (IRC) Section 115, and that the Authority has maintained its tax-exempt status and has no uncertain tax positions that require adjustment or disclosure in these financial statements. However, because the Authority issues tax-exempt bonds, it is subject to the arbitrage rebate requirements of Section 148 of the IRC. Section 148 requires that any arbitrage profit earned on the proceeds of tax-exempt bonds issued after 1985 must be rebated to the federal government at least once every five years, with the balance rebated no later than 60 days after the retirement of the bonds.

Arbitrage rebate expense, which is presented as a reduction in the amount of interest income from investments, for the year ended June 30, 2024, was approximately $258,000 in the Reserve Fund. At June 30, 2024, the Reserve Fund reported an accrued interest rebate payable to the U.S. Government of approximately $1,550,000 in its statement of net position under the arbitrage provisions of Section 148 of the IRC, primarily as a result of arbitrage in unspent bond proceeds in construction funds. As described in more detail in this note, construction funds and any related investment income are excluded from these financial statements and, as such, the related arbitrage rebate expense is also excluded. However, as the issuer of the bonds, the Authority is responsible for the calculation and payment of the rebate; therefore, the estimated liability is reported on the statement of net position within the Reserve Fund. Construction funds of the borrowers are obligated to reimburse the Reserve Fund for certain arbitrage related costs, and therefore an offsetting receivable of approximately $1,292,000 has been recorded within interest and other receivables from institutions on the statement of net position of the Reserve Fund.

2. Significant Accounting Policies (Continued)

Cash and Cash Equivalents

The Authority considers all checking and savings deposits and highly liquid investments with original maturities of three months or less to be cash equivalents. Included in cash and cash equivalents of the Authority's Operating Fund at June 30, 2024 is $37,103 of insured deposits with a bank, and $2,535,905 of money market funds held by a custodian and secured by Small Business Administration (SBA) and mortgage bonds. The Authority has also invested $5,679,459 at Northeast Bank and $1,049,829 at Bar Harbor Trust in investment programs where multiple banks have provided maximum investments of $249,000 which are each covered by Federal Deposit Insurance Corporation (FDIC) insurance. These investments are considered short term and can be liquidated as the Authority has a need for the funds.

Cash includes funds held in interest bearing demand deposit and savings accounts, which is managed in an effort as not to exceed amounts guaranteed by the FDIC. The Authority has not experienced any losses in such accounts and management believes the Authority is not exposed to any significant risk of loss on cash.

Investments

Investments are carried at fair value (see note 10). Changes in fair value are recorded as net increase or decrease in the fair value of investments on the statements of revenues, expenses and changes in net position. Reserve fund investments that are not expected to be utilized to fund principal and interest payments until after June 30, 2025 have been classified as long-term.

Bond Discounts, Premiums and Issuance Costs

Costs associated with issuing debt, which are generally paid by means of fees collected from institutions (borrowers), are expensed in the year incurred. To the extent they are used to pay bond issuance costs, premiums remitted to the Authority are recorded as other income. Other premiums and discounts are passed on to the borrowers and, therefore, are not recorded.

Interfund Transactions

Transactions that constitute reimbursements to a fund for expenses initially made from it that are properly applicable to another fund are recorded as expenses in the reimbursing fund and as reductions of expenses in the fund that is reimbursed.

All other interfund transactions are reported as operating transfers.

Management Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management of the Authority to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

2. Significant Accounting Policies (Continued)

Total Columns

The "total" columns contain the totals of the similar accounts of the various funds. The combination of the accounts, including assets therein, is for convenience only and does not indicate that the combined assets are available in any manner other than that provided for in the separate funds.

Recently Issued Accounting Pronouncements

In June 2022, GASB issued Statement No. 101, *Compensated Absences*. This objective of this statement is to align recognition and measurement guidance for compensated absences under a unified model and to amend certain previously required disclosures. The statement requires that an entity estimate and record liabilities for all compensated absences related to leave that accumulates, is more likely than not to be used for time off or otherwise paid in cash or settled, and relates to services already rendered. The provisions of Statement No. 101 are effective for reporting periods beginning after December 15, 2023, with earlier application permitted. The Authority is currently evaluating the impact of the pending adoption of this statement on its financial statements.

In April 2024, GASB issued Statement No. 103, *Financial Reporting Model Improvements*. The objective of this statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. The statement addresses certain required components of management's discussion and analysis, the treatment of unusual or infrequent items, and presentation changes within the statement of revenues, expenses, and changes in net position. The provisions of Statement No. 103 are effective for reporting periods beginning after June 15, 2025, with earlier application permitted. The Authority is currently evaluating the impact of the pending adoption of this statement on its financial statements.

3. Investments Held by Trustee and Operating Investments

The Authority is authorized, under Maine statutes, to invest in obligations of the U.S. Treasury, certain U.S. Government-sponsored enterprises and certain state and local government municipal bonds, as well as certain investment contracts, certificates of deposit, corporate notes and collateralized repurchase agreements. The trustees/custodians invest available cash in accordance with Maine statutes, applicable Series Resolutions and Tax Regulatory Agreements. At June 30, 2024, investments are categorized as follows:

	Fair Value
Operating Fund	
Operating investments:	
U.S. Government-sponsored enterprises bonds and notes	$14,114,690
Corporate notes	350,939
	$14,465,629
Reserve Fund	
Investments held by trustee:	
Cash and cash equivalents	$23,942,571
U.S. Government-sponsored enterprises bonds and notes	35,856,976
Corporate notes	4,994,067
Municipal bonds	33,501,251
	$98,294,865
Supplemental Reserve Investments:	
Cash and cash equivalents	$ 6,071,089
U.S. Government-sponsored enterprises bonds and notes	2,582,173
Corporate notes	4,185,320
Municipal bonds	10,335,127
	$23,173,709

3. Investments Held by Trustee and Operating Investments (Continued)

The investments of the Operating Fund are to provide income to supplement administration of current programs, provide a source of capital for new programs and to reduce susceptibility to unanticipated expenditures or revenue shortfalls. Relative to the investment of bond funds within the Reserve Fund, as a means of limiting its exposure to fair value losses arising from rising interest rates, the Authority's investment policy provides that investment maturities be closely matched with future bond principal and interest requirements, which are the primary use of invested assets. The Authority's general practice has been to hold most debt securities to their maturity, at which point the funds are needed to make required bond principal and interest payments. The following table provides information on future maturities of the Authority's investments as of June 30, 2024:

	Fair Value	Less than One Year	One to Five Years	Six to Ten Years	More than Ten Years
Operating Fund					
U.S. Government-sponsored enterprises bonds and notes (FHLB, FNMA, etc.)	$14,114,690	$11,026,058	$ 3,088,632	$ –	$ –
Corporate notes	350,939	–	267,339	83,600	–
	$14,465,629	$11,026,058	$ 3,355,971	$ 83,600	$ –
Reserve Fund					
U.S. Government-sponsored enterprises bonds and notes (FHLB, FNMA, etc.)	$38,439,149	$10,128,864	$25,773,950	$ 2,536,335	$ –
Corporate notes	9,179,387	5,478,727	971,060	2,729,600	–
Municipal bonds	43,836,378	2,611,888	2,732,956	8,895,940	29,595,594
	$91,454,914	$18,219,479	$29,477,966	$14,161,875	$29,595,594

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Authority's investments are primarily held by U.S. Bank and Bank of New York. Management of the Authority is not aware of any issues with respect to custodial credit risk at these institutions at June 30, 2024.

For an investment, credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations to the Authority. The Authority's investment policy limits its investments to those with high credit quality such as U.S. Treasury Obligations, U.S. Government-sponsored enterprises, municipal bonds, certificates of deposit or corporate notes backed by high credit quality banks and insurance companies as rated by rating agencies such as Moody's Investor Service or Standard & Poor's, rated at AA- or better, or municipal bonds rated at A- or better. P-1 ratings for corporate notes reflect a superior rating by Moody's Investor Service to repay short-term obligations.

3. Investments Held by Trustee and Operating Investments (Continued)

At June 30, 2024, the ratings for investments in debt securities are summarized as follows. These ratings were as of June 30, 2024 and are not necessarily the ratings that existed at time of purchase.

Operating Fund and Reserve Fund

Issuer	Rating	Fair Value
U.S. Government-sponsored enterprises [(1)]	AA+/Aaa	$ 52,553,839
Corporate notes	A-1/AAA	5,829,666
Corporate notes	A-/A1	3,700,660
Municipal bonds	AAA/Aaa	594,423
Municipal bonds	AA+/Aaa – Aa3	5,768,827
Municipal bonds	AA/Aa1 – A1	21,600,216
Municipal bonds	AA-/Aa2 – A1	13,113,609
Municipal bonds	A+/Aa3 – A1	2,123,071
Municipal bonds	A/A2	636,232
		$ 105,920,543

[(1)] Includes FHLMC, FHLB, FFCB, TVA

Trustee and custodian held cash and cash equivalents at June 30, 2024 consist primarily of short-term money market funds invested exclusively in U.S. Treasury obligations.

4. Bonds Payable

Total Reserve Fund bonds payable, with original interest rates and maturities, consist of the following at June 30, 2024:

	Original Maturity	Original Amount Issued	Amount Outstanding June 30, 2024
Reserve Fund:			
Series 2010 B, 2.5% – 5.25% dated June 24, 2010	2011 – 2031	$ 96,755,000	$ 1,505,000
Series 2011 A, 2.0% – 5.0% dated August 31, 2011	2012 – 2031	36,535,000	1,180,000
Series 2013 A, 2.0% – 5.0% dated May 23, 2013	2014 – 2033	64,030,000	21,580,000
Series 2014 A, 3.0% – 5.0% dated July 24, 2014	2015 – 2032	43,185,000	5,570,000
Series 2015 A, 2.0% – 5.0% dated July 30, 2015	2016 – 2035	27,395,000	3,405,000
Series 2016 A, 3.0% – 5.0% dated June 28, 2016	2017 – 2035	64,840,000	24,600,000

4. Bonds Payable (Continued)

	Original Maturity	Original Amount Issued	Amount Outstanding June 30, 2024
Series 2017 A, 3.0% – 5.0% dated June 27, 2017	2018 – 2031	$ 39,000,000	$ 20,410,000
Series 2017 B, 3.5% – 5.0% dated December 28, 2017	2018 – 2038	43,630,000	28,780,000
Series 2019 A, 3.0% – 5.0% dated July 31, 2019	2020 – 2039	54,640,000	45,805,000
Series 2019 B, 3.0% – 5.0% dated November 6, 2019	2020 – 2049	36,415,000	32,625,000
Series 2019 C, 5.0% dated April 3, 2020	2020 – 2040	42,350,000	32,540,000
Series 2020 A, 4.0% – 5.0% dated June 30, 2020	2021 – 2031	21,665,000	9,510,000
Series 2020 B, 2.75% – 5.0% dated November 10, 2020	2021 – 2031	13,105,000	11,810,000
Series 2021 A, 2.5% – 5.0% dated May 19, 2021	2022 – 2050	86,065,000	80,175,000
Series 2021 B, 0.359% – 3.118% dated May 19, 2021	2022 – 2043	156,870,000	147,935,000
Series 2021 C, 2.5% – 5.0% dated December 2, 2021	2023 – 2051	20,435,000	18,670,000
Series 2022 A, 5.0% – 5.5% dated June 2, 2022	2023 – 2052	48,310,000	47,695,000
Series 2022 B, 4.75% dated June 2, 2022	2023 – 2032	1,395,000	1,290,000
Series 2022 C, 5.0% – 5.5% dated November 15, 2022	2023 – 2052	85,585,000	84,720,000
Series 2023A, 4.375% – 5.0% dated July 25, 2023	2024 – 2053	68,415,000	68,415,000
Series 2023B, 4.75% – 5.25% dated December 5, 2023	2024 – 2053	122,420,000	122,420,000
		$ 1,173,040,000	810,640,000
Current portion			34,170,000
Noncurrent portion			$ 776,470,000

4. Bonds Payable (Continued)

The outstanding Reserve Fund bonds payable will mature in each of the following fiscal years with interest payable semiannually:

Fiscal Year Ending	Principal	Interest	Total
2025	$ 34,170,000	$ 34,918,362	$ 69,088,362
2026	32,945,000	33,047,585	65,992,585
2027	33,915,000	31,601,470	65,516,470
2028	34,885,000	30,123,001	65,008,001
2029	35,910,000	28,593,959	64,503,959
2030 – 2034	177,885,000	119,888,989	297,773,989
2035 – 2039	162,130,000	83,904,366	246,034,366
2040 – 2044	138,225,000	53,446,034	191,671,034
2045 – 2049	83,395,000	29,039,891	112,434,891
2050 – 2054	77,180,000	8,274,206	85,454,206
Total	$ 810,640,000	$ 452,837,863	$ 1,263,477,863

The following summarizes bonds payable activity for the Authority for the year ended June 30, 2024:

	Reserve Fund
Balance, beginning of year	$ 655,865,000
Issuances, at par	190,835,000
Redemptions:	
Principal payments	(30,995,000)
Bonds refunded (note 8)	(5,065,000)
Balance, end of year	$ 810,640,000

The Authority's bonds payable are to be repaid through collection of outstanding loans receivable from institutions and liquidation of reserve fund investments (see note 6).

Certain outstanding bonds contain provisions for prepayment at the Authority's option.

5. Conduit Debt

Conduit debt of the Authority consists of bonds outstanding within the General Resolution. The following is a summary of outstanding conduit debt, with original interest rates, at June 30, 2024:

	Original Maturity	Original Amount Issued	Amount Outstanding June 30, 2024
General Resolution:			
Bowdoin College, Series 2008, variable rate, dated March 24, 2008	2027	$ 20,700,000	$ 20,700,000
Bowdoin College, Series 2009 B, 6.667%, dated May 14, 2009	2035 – 2039	19,750,000	19,750,000
Colby College, Series 2014 B, 4.341% – 4.441%, dated May 20, 2014	2026 – 2044	4,665,000	4,665,000
Bates College, Series 2015, 3.0% – 5.0%, dated July 8, 2015	2016 – 2036	27,790,000	21,940,000
Redington Fairview, Series 2016, 2.85%, dated January 20, 2016	2017 – 2031	7,500,000	3,500,000
Eastern Maine Health, Series 2016, 4.0% – 5.0%, dated July 13, 2016	2037 – 2046	170,825,000	170,825,000
University of New England, Series 2017 A, 3.0% – 5.0%, dated March 2, 2017	2018 – 2047	46,945,000	41,680,000
University of New England, Series 2017 B, 3.0% – 5.0%, dated October 11, 2017	2018 – 2038	40,100,000	31,745,000
Bowdoin College, Series 2017, 5.00%, dated December 28, 2017	2035 – 2039	30,435,000	30,435,000
Maine Medical Center, Series 2018 A, 4.0% – 5.0%, dated July 18, 2018	2029 – 2048	164,330,000	164,330,000
Maine Medical Center, Series 2018 B, 3.84% – 3.94% dated July 18, 2018	2027 – 2028	10,930,000	10,930,000
John F. Murphy Homes, Series 2018, 5.50% dated August 1, 2018	2019 – 2039	4,500,000	3,807,807
Maine Medical Center, Series 2018 C, variable rate, dated August 1, 2018	2026 – 2036	36,735,000	36,735,000
Maine College of Art, Series 2018, variable rate, dated September 26, 2018	2043	2,202,775	1,947,723
Bowdoin College, Series 2018, 4.0% – 5.0%, dated November 29, 2018	2020 – 2048	28,885,000	26,805,000
Colby College, Series 2019, 2.22%, dated June 12, 2019	2026	25,000,000	25,000,000
Bates College, Series 2019, 1.89%, dated November 20, 2019	2023 – 2028	50,000,000	46,000,000
Bates College, Series 2020, 2.0%, dated May 21, 2020	2021 – 2040	10,325,000	9,026,000
Maine Health, Series 2020A, 4.0% – 5.0% dated July 29, 2020	2026 – 2050	212,700,000	212,700,000

5. Conduit Debt (Continued)

	Original Maturity	Original Amount Issued	Amount Outstanding June 30, 2024
Piper Shores, Series 2021 A-1, 2.31% dated March 25, 2021	2021 – 2041	$ 19,380,000	$ 15,790,083
Piper Shores, Series 2021 A-2, 2.79–2.88% dated March 25, 2021	2021 – 2041	18,620,000	15,234,176
Maine Health, Series 2021, 1.467% dated April 5, 2021	2021 – 2030	21,115,000	14,385,000
University of New England 2021 A, 2.75% – 5.0%, dated December 15, 2021	2022 – 2051	44,320,000	42,930,000
University of New England 2021 B, 0.73% – 3.045% dated December 15, 2021	2022 – 2043	27,980,000	24,530,000
Maine Health, Series 2022, 1.55% dated April 4, 2022	2022 – 2031	13,755,000	11,105,000
Covenant Health, Series 2023, 4.0% dated March 14, 2023	2037	33,460,000	33,460,000
Bates College, Series 2023, 2.9% dated April 4, 2023	2024 – 2043	52,300,000	52,300,000
Maine Health Services, Series 2024, 2.532% dated April 3, 2024	2024 – 2037	87,130,000	87,130,000
		$ 1,232,377,775	$ 1,179,385,789

The following is a summary of conduit debt activity for the year ended June 30, 2024:

Bonds outstanding as of June 30, 2023	$ 1,162,960,356
Issuances, at par	87,130,000
Redemptions:	
Principal Payments	(70,704,567)
Bonds outstanding as of June 30, 2024	$ 1,179,385,789

At June 30, 2024, there were approximately $146,460,000 of defeased bonds remaining outstanding with respect to advance refunded conduit debt of bond issues of the General Resolution.

6. Reserve Funds

The Authority is required to maintain debt service reserve assets which are equal to the maximum amount of principal installments and interest maturing and becoming due in any succeeding calendar year on all loan obligations then outstanding as of such date of calculation. At June 30, 2024, the required debt service reserve within the Reserve Fund was approximately $67,000,000 and the fair value of the debt service reserve assets totaled approximately $75,000,000. The approximately $8,000,000 overage is a result of fair market value adjustments on the debt service reserve investments. The reserve fund requirements are reviewed when new bond issues are initiated and at fiscal year end, at which time funds would be transferred, if necessary, to meet the requirement.

Effective June 14, 2023 the Authority maintains a revolving line of credit with Bar Harbor Bank & Trust, which is available to supplement the Authority's debt service reserve assets. As of June 30, 2024, the total amount available under this line of credit was $1,000,000. There were no borrowings on the line at June 30, 2024 or outstanding during 2024. Interest on borrowings is variable based on the One Month Prime Rate plus 2.00%, and is due monthly, based on the amount outstanding. The line of credit matures on June 14, 2026. The borrowings are secured by collateral pledge of the Authority, held in an account at Bar Harbor Bank & Trust.

The Authority maintains a supplemental reserve as described above and in note 1. The fair value of these assets at June 30, 2024 is approximately $23,200,000.

7. Operating Expenses

The Authority has an arrangement with Maine Municipal Bond Bank (the Bond Bank) which allocates a portion of Bond Bank expenses to the Authority. The allocation is based on expenses specifically incurred on behalf of the Authority and the Authority's estimated portion of general overhead. The arrangement is approved annually by the Board through the budgetary approval process. The Authority recognized approximately $683,000 of expense under this arrangement for the year ended June 30, 2024, and owed the Bond Bank $16,234 at June 30, 2024.

8. Refunded Issues

In periods of declining interest rates, the Authority has refunded certain bond obligations. The proceeds of any advance refunding bonds are primarily used to purchase U.S. Treasury obligations, the principal and interest on which will be sufficient to pay the principal and interest, when due, of the defeased bonds. Neither the U.S. Treasury obligations nor the defeased bonds are reflected on the accompanying financial statements. The U.S. Treasury obligations are placed in irrevocable trust accounts with the trustees of the defeased bonds. The gains, losses and economic benefits of these transactions inure to the respective Institution and not the Authority, although the Authority may receive an administrative fee.

8. Refunded Issues (Continued)

On July 25, 2023, the Authority issued $68,415,000 of Reserve Fund 2023A series bonds with an average interest rate of 4.62%, a portion of which was used to in-substance defease $5,065,000 of certain maturities within the 2013A bond series. A portion of the net proceeds of approximately $72,742,000, including other sources of funds and after payment of underwriting fees, insurance and other issuance costs, were used to purchase U.S. Government securities which will provide for all future debt service payments on defeased bonds. St. Joseph College realized a net present value savings of approximately $255,000 as a result of this bond issuance.

At June 30, 2024, there were approximately $29,065,000 of defeased bonds remaining outstanding with respect to all advance-refunding issues within the Reserve Fund Resolution.

9. Other Receivables – Operating Fund

The Authority has approximately $157,000 of other receivables outstanding within the Operating Fund at June 30, 2024, approximately $151,000 of which is in relation to semi-annual fees due from institutions within the General Bond Resolution.

10. Fair Value Measurements

The Authority generally holds investments until maturity to pay Reserve Fund bonds as they become due, so fluctuations on the fair value of the investments have a minimal long-term effect. The Authority categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. The framework provides 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 lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Authority has the ability to access.

Level 2 – Inputs to the valuation method include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified contractual term, the Level 2 input must be observable for substantially the full-term of the asset or liability.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

10. Fair Value Measurements (Continued)

Assets and liabilities measured at fair value are based on one or more of three valuation techniques. The three valuation techniques are as follows:

- *Market approach* – Prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities;
- *Cost approach* – Amount that would be required to replace the service capacity of an asset (i.e., replacement cost); and
- *Income approach* – Techniques to convert future amounts to a single present amount based on market expectations (including present value techniques).

Each asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measurement at fair value:

Cash equivalents: Fair value approximates the relative book values at June 30, as these financial instruments have short maturities.

U.S. Government-sponsored enterprises bonds and notes, certificates of deposit, corporate notes and municipal bonds: Fair value is determined based on quoted prices in active markets, or by using broker or dealer quotations, external pricing providers, or alternative pricing sources with reasonable levels of price transparency.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Authority believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the Authority's assets carried at fair value on a recurring basis as of June 30, 2024:

	Level 1	Level 2	Total
Operating Fund			
U.S. Government-sponsored enterprises bonds and notes	$ –	$14,114,690	$14,114,690
Corporate notes	–	350,939	350,939
	$ –	$14,465,629	$14,465,629

10. Fair Value Measurements (Continued)

	Level 1	Level 2	Total
Reserve Fund			
Investments held by trustee:			
Cash equivalents	$23,942,571	$ –	$23,942,571
U.S. Government-sponsored enterprises bonds and notes	–	35,856,976	35,856,976
Corporate notes	–	4,994,067	4,994,067
Municipal bonds	–	33,501,251	33,501,251
	$23,942,571	$74,352,294	$98,294,865
Supplemental reserve investments:			
Cash equivalents	$ 6,071,089	$ –	$ 6,071,089
U.S. Government-sponsored enterprises bonds and notes	–	2,582,173	2,582,173
Corporate notes	–	4,185,320	4,185,320
Municipal bonds	–	10,335,127	10,335,127
	$ 6,071,089	$17,102,620	$23,173,709

There were no Level 3 investments as of June 30, 2024.

11. Subsequent Events

On September 10, 2024, the Authority issued $86,405,000 of Reserve Fund 2024A series bonds with an average interest rate of 4.77%, with principal payments beginning July 1, 2025 and maturing July 1, 2054.

On September 12, 2024, the Authority issued $187,380,000 of General Resolution Fund series bonds with an average interest rate of 5.16%, with principal payments beginning October 1, 2025 and maturing October 1, 2054.

APPENDIX C

CERTAIN PROVISIONS OF PRINCIPAL DOCUMENTS

The following are definitions of certain words and terms used in this Official Statement and summaries of the Original Indenture, the Supplemental Indenture, the Reserve Fund Resolution and the Agreements. The Agreements are substantially similar but separate contracts between the Authority and each Institution. The summaries do not purport to set forth all of the provisions of said documents, to which reference is made for the complete and actual terms thereof. Words and terms used herein that are not defined herein shall have the same meanings as set forth in the Original Indenture, the Supplemental Indenture, the Reserve Fund Resolution and each of the Agreements, as the case may be.

DEFINITIONS

"Accountant" shall mean any firm of recognized independent certified public accountants appointed by the Institution and reasonably acceptable to the Authority.

"Accounts Receivable" shall mean any and all rights of the Institution to payment for services rendered or for goods sold or leased which is not evidenced by an instrument or chattel paper, whether or not it has been earned by performance, including, but without limiting the generality of the foregoing, all "accounts" as defined in 11 M.R.S.A. §9-1102(2).

"Act" shall mean the Maine Health and Higher Educational Facilities Authority Act, Chapter 413 of Title 22, Sections 2051 to 2077, inclusive, of the Maine Revised Statutes Annotated, as it may be amended from time to time.

"Additional Bonds" shall mean the bonds or notes issued by the Authority pursuant to Section 2.13 of the Original Indenture and secured by the Reserve Fund.

"Additional Indebtedness" shall mean any Indebtedness incurred by the Institution subsequent to the issuance of the Series 2025A Notes.

"Additional Notes" shall mean the notes issued by the Institution pursuant to Section 3.05 of the Agreement to secure Additional Bonds issued by the Authority pursuant to Section 2.13 of the Original Indenture.

"Advance-Refunded Municipal Bonds" shall mean municipal obligations that (i) are not subject to redemption prior to maturity or (ii) the trustee for the municipal obligations has been given irrevocable instructions concerning their call and redemption and the issuer of the municipal obligations has covenanted not to redeem such municipal obligations other than as set forth in such instructions.

"Affiliate" shall mean a corporation, partnership, joint venture, association, foundation, business trust or similar entity organized under the laws of the United States of America or a state thereof which (i) directly or indirectly controls the Institution, (ii) is directly or indirectly controlled by the Institution or (iii) is directly or indirectly controlled by or under common control by the same Person as the Institution. For purposes of this definition, control means the power to direct the management policies of a Person through the ownership of a majority of its voting securities, the right to designate or elect a majority of the members of its board of directors or other governing board or body.

"Agreement" shall mean with respect to the Reserve Fund Resolution and the Original Indenture, individually and collectively, each Loan Agreement and Mortgage, dated as of May 1, 2025, by and between the Authority and each Institution, and when amended or supplemented, each such Agreement, as amended or supplemented.

"Agreement Event of Default" shall mean any one or more of those events set forth in Section 6.01 of the Agreement.

"Allocable Share" shall mean, with respect to each Series of Bonds, that percentage of Outstanding Bonds of a Series attributable to amounts outstanding under the loan to an Institution made pursuant to an Agreement with proceeds of such Series of Bonds, which Allocable Share shall be initially as set forth on Schedule E to each Agreement relating to such Series of Bonds, but which shall be adjusted to reflect prepayments of Notes of such Series made by each Institution and prepayments made by other institutions which are borrowing a portion of the proceeds of the Bonds of such Series, and which Allocable Share shall be derived by the application of a percentage, the numerator of which shall be the Outstanding principal balance of the Institution's Note of such Series at the time of calculation and the denominator of which shall be the Outstanding principal balance of all Notes of such Series issued by all Institutions upon delivery of the Bonds of such Series at the time of calculation; provided, however, that with respect to payments due on each Bond Payment Date with respect to principal of and interest on the Bonds of a Series, Allocable Share shall mean such portion of each such payment designated on Schedule E attached to each Agreement as being allocable to an Institution; and provided further, however, any reference to an Institution's Allocable Share of costs, expenses, payments, etc. shall mean: (i) in the event that any amount, cost, expense or payment is related to a specific Institution because of any action or inaction on the part of such specific Institution or actions required to investigate or review the circumstances of such Institution, all of such amount, cost, expense or payment; and (ii) in the event that any amount, cost, expense or payment is not so related to a specific Institution, but rather to all, or a group of, Institutions, the percentage of such amount, cost, expense or payment computed by utilizing a fraction, the numerator of which is the then Outstanding principal balance of the Institution's Note or Notes at the time of calculation and the denominator of which is the then Outstanding principal balance of all Notes issued on behalf of all Institutions in question; provided, however, that Allocable Share may be adjusted in the sole discretion of the Authority as may be reasonable and appropriate under the circumstances. For purposes of this definition, the Outstanding principal balance of an Institution's Note or Notes may be reduced only to the extent of the actual amount of payments made thereon, and not by reason of any discharge in bankruptcy, compromise or otherwise.

"Alternate Debt" shall mean Indebtedness of the Institution permitted by Section 5.21 of the Agreement.

"Annual Administrative Fee" shall mean the annual fee for the general administrative services of the Authority which for each Bond Year shall be an amount equal to that shown on the prevailing fee schedule of the Authority.

"Annual Debt Service" shall mean the Long-Term Debt Service Requirement for the Fiscal Year in question.

"Architect" shall mean any firm of recognized independent architects appointed by the Institution and acceptable to the Authority.

"Authenticating Agent" shall mean the Bond Trustee, and any successor to its duties under the Bond Indenture.

"Authority" shall mean the Maine Health and Higher Educational Facilities Authority, a public body corporate and politic of the State of Maine.

"Authority Representative" shall mean the Chairman, Vice Chairman, Executive Director or Secretary of the Authority or such other Person as the Authority may designate to act on its behalf by written certificate furnished to the Institution and the Bond Trustee containing the specimen signature of such Person and signed on behalf of the Authority by the Chairman, Vice Chairman, Executive Director or Secretary.

"Balloon Indebtedness" shall mean (i) Long-Term Indebtedness, or Short-Term Indebtedness which is intended to be refinanced upon or prior to its maturity by Long-Term Indebtedness so that such Short-Term Indebtedness will be Outstanding, in the aggregate, for more than one year as certified in an Officer's Certificate, twenty-five percent (25%) or more of the initial principal amount of which matures (or is payable at the option of the holder) in any twelve month period, if such twenty-five percent (25%) or more is not to be amortized to below twenty-five percent (25%) by mandatory redemption prior to such twelve month period, or (ii) any portion of an issue of Long-Term Indebtedness which, if treated as a separate issue of Indebtedness, would meet the test set forth in clause

(i) of this definition and which Indebtedness is designated as Balloon Indebtedness in an Officer's Certificate stating that such portion shall be deemed to constitute a separate issue of Balloon Indebtedness.

"Beneficial Owner" shall mean whenever used with respect to a Bond, the Person in whose name such Bond is recorded as the beneficial owner of such Bond by a participant on the records of such participant or such Person's subrogee.

"Board" shall mean the directors of the Authority.

"Bond" or "Bonds" shall mean the Series 2025A Bonds, dated their date of issuance, any bonds on a parity therewith previously issued by the Authority pursuant to the Bond Indenture, and any Additional Bonds issued under the Bond Indenture.

"Bond Counsel" shall mean an attorney or firm of attorneys of national recognition experienced in the field of municipal bonds whose opinions are generally accepted by purchasers of municipal bonds selected or employed by the Authority and reasonably acceptable to the Bond Trustee.

"Bond Fund" shall mean the fund created pursuant to Section 5.01(a) of the Original Indenture.

"Bond Indenture" shall mean, collectively, the Original Indenture as previously supplemented and as further supplemented by the Supplemental Indenture, pursuant to which Bonds secured by the Reserve Fund have been or are issued and Outstanding.

"Bond Indenture Event of Default" shall mean any one or more of those events set forth in Section 7.01 of the Original Indenture and Section 7.1 of the Supplemental Indenture.

"Bond Index" shall mean, at the option of the Authority, either (i) but only in the case of tax-exempt obligations, the 30-year Revenue Bond Index published most recently by *The Bond Buyer*, or a comparable index if such Revenue Bond Index is not so published, or (ii) in the case of tax-exempt obligations or in all other cases, the interest rate or interest index as may be certified to the Authority and the Bond Trustee as appropriate to the situation by a firm of nationally recognized investment bankers or a financial advisory firm experienced in such field and acceptable to the Authority.

"Bond Insurance Policy" shall mean, the insurance policy issued by the Bond Insurer guaranteeing the scheduled payment of principal of and interest on the Series 2025A Bonds when due as provided therein.

"Bond Insurer" shall mean, with respect to the Series 2025A Bonds, Assured Guaranty Inc. or any successor thereto, and with respect to any other Series of Bonds, the entity, if any, issuing a bond insurance policy with respect thereto.

"Bond Payment Date" shall mean each date on which interest or both principal and interest shall be payable on any of the Bonds according to their respective terms so long as any Bonds are Outstanding.

"Bond Purchase Contract" shall mean the contract of purchase between the Authority and the Original Purchasers pertaining to the sale of the Series 2025A Bonds.

"Bond Resolution" shall mean, with respect to the Series 2025A Bonds, the Bond Resolution relating to the financing and refinancing of the Project with the proceeds of the Series 2025A Bonds, adopted by the Authority on March 21, 2025, as amended on April 23, 2025.

"Bond Trustee" shall mean U.S. Bank Trust Company, National Association, of Boston, Massachusetts, and any successor to its duties under the Bond Indenture.

"Bond Year" shall mean the period commencing July second of each year and ending July first of the next year.

"Book-Entry Bonds" shall mean any Bonds held by DTC as the registered owner thereof pursuant to the terms and provisions of the Bond Indenture.

"Buildings" shall mean the buildings, structures, fixtures and improvements now or hereafter located on the Land.

"Business Day" shall mean any day of the week other than Saturday, Sunday or a day which shall be in the State of Maine or in the jurisdiction of the Reserve Fund Trustee, the Bond Trustee, the Paying Agent, the Authenticating Agent, the Registrar or the Bond Insurer, a legal holiday or a day on which banking corporations are authorized or obligated by law or executive order to close.

"Capitalization" shall mean the sum of (i) the aggregate principal amount of all outstanding Long-Term Indebtedness of the Institution (less the amount of any Debt Reserves) plus (ii) the Fund Balance of the Institution.

"Capitalized Interest" shall mean that portion of the proceeds of any Indebtedness or any other funds (other than Debt Reserves) that are held in trust and are restricted to be used to pay interest due or to become due on Indebtedness.

"Code" shall mean the Internal Revenue Code of 1986, as amended.

"Completion Indebtedness" shall mean any Indebtedness incurred by the Institution for the purpose of financing the completion of constructing or equipping facilities for the construction or equipping of which some Indebtedness has theretofore been incurred in accordance with the provisions of the Agreement, to the extent necessary to provide a completed and equipped facility of the type and scope contemplated at the time, and in accordance with the general plans and specifications for such facility as originally prepared with only such changes as have been made in conformity with the documents pursuant to which such Indebtedness was originally incurred, including funding Debt Reserves.

"Construction Fund" shall mean the fund created pursuant to Section 4.01 of the Original Indenture.

"Consultant" shall mean a Person selected by the Institution which is not, and no member, stockholder, director, officer or employee of which is, an officer or employee of the Institution, and which is either (i) a nationally recognized professional management consultant or Accountant in the area of hospital finance, nursing home finance, college finance, university finance, or community mental health provider finance, or the finance of other eligible entities, as applicable, and reasonably acceptable to the Authority and having the skill and experience necessary to render the particular opinion, certificate or report required by the provisions of the Agreement in which such requirement appears, or (ii) the Accountant which is the Institution's external auditing firm.

"Corporate Trust Office" shall mean the office of the Bond Trustee at which its principal corporate trust business is conducted, which at the date hereof is located at One Federal Street, Boston, Massachusetts, Attention: Corporate Trust Department.

"Credit Enhancer" shall mean any financial institution that insures, guarantees or otherwise secures the payment of principal of and interest on any Bonds.

"Current Assets" shall mean cash and cash equivalent deposits, marketable securities, interests in mutual funds of marketable securities, Accounts Receivable, accrued interest receivable, funds designated by the Governing Body for any specific purpose and any other assets of the Institution ordinarily considered current assets under generally accepted accounting principles.

"Debt Reserves" shall mean that portion of the proceeds of any Indebtedness or any other funds (other than Capitalized Interest) that are held in trust and are restricted to be used to pay principal or principal and interest due or to become due on Indebtedness (including the Institution's Allocable Share, if any, of money and investments held in the Reserve Fund).

"Discount Indebtedness" shall mean Indebtedness sold to the original purchaser thereof (other than any underwriter or other similar intermediary) at a discount from the par amount of such Indebtedness.

"DTC" shall mean the Depository Trust Company, a limited purpose trust company organized under the laws of the State of New York, and its successors and assigns.

"Earnings Fund" shall mean the fund created pursuant to Section 5.01 of the Original Indenture.

"Encumbered" shall mean subject to a Lien mentioned in subsection (1), (2), (3), (13), (15), (16), or (17) of Section 5.14(b) of the Agreement.

"Equipment" shall mean the equipment, machinery, furnishings, fixtures (to the extent not a part of the Buildings), and other similar items of tangible personal property necessary or convenient for the operation of the Facility, whether now owned or held or hereafter acquired, less any equipment, machinery, furnishings, fixtures to the extent not a part of the Buildings, and other similar items which may actually be disposed of or removed pursuant to the Agreement.

"Facility" shall mean the Land, the Buildings and the Equipment located thereon.

"Fiscal Year" shall mean the fiscal year of the Institution, which shall be the fiscal year designated from time to time in writing by the Institution to the Authority and the Bond Trustee.

"Fund Balance" shall mean (i) for a Person that is a Tax-Exempt Organization, the aggregate fund balance of such Person, and (ii) for a Person that is not a Tax-Exempt Organization, the excess of assets over liabilities of such Person.

"Future Test Period" shall mean the two full Fiscal Years immediately following the computation then being made, or, if such computation is then being made in connection with the provision of funds for capital improvements, following completion of the capital improvements then being financed.

"General Fund" shall mean the General Fund created pursuant to Section 2.02 of the Reserve Fund Resolution.

"Governing Body" shall mean the Institution's board of trustees.

"Government Obligations" shall mean direct general obligations of, or obligations the timely payment of principal and interest on which are fully and unconditionally guaranteed by, the United States of America, or any other investments defined as "United States Obligations" in paragraph (1) of "Permitted Investments".

"Gross Receipts" shall mean all receipts, revenues, income and other moneys received by or on behalf of the Institution, including, but without limiting the generality of the foregoing, revenues derived from the ownership or operation of the Property, including insurance and condemnation proceeds with respect to the Property or any portion thereof, and all rights to receive the same, whether in the form of Accounts Receivable, contract rights or other rights, and the proceeds of such rights, and whether now owned or held or hereafter coming into existence; provided, however, that gifts, grants, bequests, donations and contributions heretofore or hereafter made and designated or specified by the granting authority, donor or maker thereof as being for specified purposes (other than payment of debt service on Indebtedness) and the income derived therefrom to the extent required by such designation or specification shall be excluded from Gross Receipts.

"Guaranty" shall mean all obligations of the Institution guaranteeing in any manner, whether directly or indirectly, any obligation of any other Person which would, if such other Person were the Institution, constitute Indebtedness under the Agreement, unless the obligation of such other Person is other than for the payment of a sum certain or reasonably ascertainable.

"Hazardous Materials" shall mean, without limitation, asbestos, gasoline, petroleum products, explosives, radioactive materials, polychlorinated biphenyls or related or similar materials, or any other substance or material defined as a hazardous or toxic substance, material or waste by any applicable federal, State or local law, ordinance, rule, or regulation.

"Historic Test Period" shall mean, at the option of the Institution, either (i) any twelve (12) consecutive calendar months out of the most recent period of eighteen (18) full calendar months, or (ii) the most recent period of twelve (12) full consecutive calendar months for which the financial statements of the Institution have been reported upon by an Accountant, or (iii) the most recent Fiscal Year of the Institution.

"Holder" or "Bondholder" shall mean the registered owner of any Bond, including DTC as the sole registered owner of Book-Entry Bonds.

"Income Available for Debt Service" shall mean, with respect to the Institution, as to any period of time, net income, or excess of revenue and, in the case of community health and social services facilities, contributions, grants and other support, over expenses (including investment income, gifts and bequests, but excluding donor restricted funds, and the income and other proceeds thereon, to the extent restricted by the donor thereof to other than Operating Expenses) before depreciation, amortization and interest, as determined in accordance with generally accepted accounting principles consistently applied; provided, that no determination thereof shall take into account (i) any revenue or expense of any Person which is not the Institution, (ii) any gain or loss resulting from either the extinguishment of Indebtedness or the sale, exchange or other disposition of capital assets not in the ordinary course of business, (iii) the net proceeds of insurance (other than business interruption insurance) and condemnation awards, (iv) any non-reoccurring accounting changes, or (v) unrealized gains or losses from investment (notwithstanding generally accepted accounting principles).

"Indebtedness" shall mean all obligations for payments of principal and interest with respect to money borrowed, incurred or assumed by the Institution from another Person, including Guaranties, purchase money mortgages, financing or capital leases, installment purchase contracts or other similar instruments in the nature of a borrowing by which the Institution will be unconditionally obligated to pay. Nothing in this definition or otherwise shall be construed to count Indebtedness more than once.

"Initial Administrative Fee" shall mean the fee, payable from the Construction Fund to the Authority, for its initial services in regard to the financing and refinancing of the Project in an amount specified in the Authority's prevailing fee schedule.

"Institution" shall mean, with respect to the Reserve Fund Resolution and the Original Indenture, each private, nonprofit and charitable corporation organized and existing under the laws of the State of Maine, operating community health or social service, hospital, nursing home, residential care, continuing care retirement community, assisted living, community mental health, community health center, scene response air ambulance, college or university facilities located in Maine, which has borrowed or will borrow all or a portion of the proceeds of one or more Series of Bonds from the Authority pursuant to one or more Agreements, including the Series 2025A Institutions, and with respect to the Supplemental Indenture, the Series 2025A Agreements, and the Series 2025A Bonds shall mean the Series 2025A Institutions.

"Institution Representative" shall mean the Person at the time designated to act on behalf of the Institution by written certificate furnished to the Authority and the Bond Trustee, containing the specimen signature of such Person and signed on behalf of the Institution by its chairman, its president or chief executive officer, or its chief financial officer. Such certificate may designate an alternate or alternates who shall have the same authority, duties and powers as such Institution Representative.

"Insurance Consultant" shall mean a Person appointed by the Institution and reasonably acceptable to the Authority, qualified to survey risks and to recommend insurance coverage for hospital, nursing home, community mental health, college, university or other eligible entity facilities and organizations engaged in like operations, who may be a broker or agent with whom the Institution transacts business, but who shall have no interest, direct or indirect, in the Institution and shall not be a member, director or employee of either the Institution or the Authority.

"Interest Account" shall mean the account of the Bond Fund created pursuant to Section 5.01(a)(i) of the Original Indenture.

"Land" shall mean the real property, interests in real property, rights-of-way, easements, licenses, and other rights in real property described in Schedule A to the Agreement.

"Law or Regulation Circumstances" shall mean the occurrence of the following: (i) applicable laws, governmental regulations, third-party reimbursement methods or governmental insurance programs shall prevent or substantially impair, have prevented or substantially impaired or will prevent or substantially impair the Institution from generating sufficient Income Available for Debt Service to comply with the particular requirement of the Agreement in question, (ii) the effect upon the Institution of the circumstances set forth in clause (i) above shall have been confirmed by a signed Consultant's opinion (or in the discretion of the Authority, an Officer's Certificate) delivered to the Authority and the Bond Trustee, (iii) an Officer's Certificate shall have been delivered to the Authority and the Bond Trustee stating that the Institution has generated the maximum Income Available for Debt Service which, in the opinion of such officer, could reasonably be generated given the circumstances set forth in clause (i) above, and (iv), but only at the request of the Authority, there shall have been delivered to the Authority and the Bond Trustee an Opinion of Counsel as to any conclusions of law supporting the opinion of the Consultant. Law or Regulation Circumstances shall not be deemed to include, or to have occurred as a result of, the Authority's implementation of the State Funding Intercept as described in the Agreement.

"Lien" shall mean any mortgage, pledge, leasehold interest, security interest, choate or inchoate lien, judgment lien, easement, or other encumbrance on title, including, but not limited to, any mortgage or pledge of, security interest in or lien or encumbrance on any Property of the Institution which secures any Indebtedness or any other obligation of the Institution.

"Long-Term Debt Service Coverage Ratio" shall mean the ratio for the period in question of Income Available for Debt Service to Maximum Annual Debt Service. In the event that any provision of the Agreement or the Bond Indenture requires the computation of the Long-Term Debt Service Coverage Ratio, whether for the Historic Test Period or for the Future Test Period, and such computation does not produce the coverage ratio otherwise required by the provision of the Agreement or the Bond Indenture in question, the coverage ratio requirement of such provision shall nevertheless be deemed satisfied if Law or Regulation Circumstances exist, and if there is delivered to the Authority and the Bond Trustee a Consultant's opinion, report or certificate to the effect that the Long-Term Debt Service Coverage Ratio for the Future Test Period is projected to be not less than the highest practicable level, but in no event less than 1.00. Notwithstanding anything in the Agreement to the contrary requiring a Consultant's opinion, report or certificate, projections of the Long-Term Debt Service Coverage Ratio may be made by an Officer's Certificate if (i) the Long-Term Debt Service Coverage Ratio for the Historic Test Period as shown by an Officer's Certificate exceeded 1.50, and (ii) the Long-Term Debt Service Coverage Ratio for the Future Test Period is projected by an Officer's Certificate to exceed 1.50, unless the Authority, in its sole discretion, requires that such Long-Term Debt Service Coverage Ratio calculations be made by a Consultant's opinion or report.

"Long-Term Debt Service Requirement" shall mean, for any period of time, the aggregate of the scheduled payments to be made (other than from amounts irrevocably deposited with the Bond Trustee or a lender for purposes of such payments) in respect of principal and interest on Outstanding Long-Term Indebtedness of the Institution during such period, also taking into account (i) with respect to Balloon Indebtedness, the provisions of Section 5.26 of the Agreement, (ii) with respect to Variable Rate Indebtedness, the provisions of Section 5.27 of the Agreement, (iii) with respect to Discount Indebtedness, the provisions of Section 5.28 of the Agreement, (iv) with respect to Debt Reserves, the provisions of Section 5.29 of the Agreement, (v) with respect to Capitalized Interest, the provisions of Section 5.30 of the Agreement, and (vi) with respect to Indebtedness represented by a Guaranty, the provisions of Section 5.19(b) of the Agreement.

"Long-Term Indebtedness" shall mean all Indebtedness, other than Short-Term Indebtedness, for any of the following:

(i) Payments of principal and interest with respect to money borrowed for an original term, or renewable at the option of the borrower for a period from the date originally incurred, of longer than one year;

(ii) Payments under leases which are capitalized in accordance with generally accepted accounting principles having an original term, or renewable at the option of the lessee for a period from the date originally incurred, longer than one year; and

(iii) Payments under installment purchase contracts having an original term in excess of one year.

"Maximum Annual Debt Service" shall mean, at the time of computation, the greatest Long-Term Debt Service Requirement for the then current or any future Fiscal Year.

"Moody's" shall mean Moody's Investors Service, Inc., and its successors.

"Municipality" shall mean the respective jurisdiction in which each Institution is located, which itself is located in the State of Maine.

"Non-Recourse Indebtedness" shall mean any Indebtedness secured by a Lien, which Indebtedness is not a general obligation of the Institution, and the liability for which Indebtedness is effectively limited to the Property subject to such Lien with no recourse, directly or indirectly, to any other Property of the Institution.

"Note" shall mean any Note issued, authenticated and delivered by an Institution under the Agreement and as, applicable, a master trust indenture, including the Series 2025A Notes and any Additional Notes.

"Note Payments" shall mean all payments to be made by the Institution under the Notes issued to or for the account of the Authority.

"Officer's Certificate" shall mean a certificate signed by the chairman of the Governing Body, or the president, chief executive officer, chief financial officer or executive director of the Institution, or any other officer of the Institution duly authorized or designated by the Governing Body of the Institution and acceptable to the Authority.

"Operating Expenses" shall mean the total operating expenses of the Institution, as determined in accordance with generally accepted accounting principles consistently applied.

"Operating Revenues" shall mean the total operating revenues of the Institution less applicable deductions from operating revenues, as determined in accordance with generally accepted accounting principles consistently applied.

"Opinion of Bond Counsel" shall mean an opinion in writing signed by Bond Counsel.

"Opinion of Counsel" shall mean a written opinion of an attorney or firm of attorneys reasonably acceptable to the Bond Trustee and, to the extent the Authority is asked to take action in reliance thereon, the Authority, and who (except as otherwise expressly provided in the Agreement or in the Bond Indenture) may be either counsel for the Institution or for the Bond Trustee. The Bond Trustee will be deemed to have accepted an attorney or a firm of attorneys specified in a notice to the Bond Trustee if the Bond Trustee does not object to such attorney or firm within fourteen (14) days after the giving of notice in accordance with Section 7.10 of the Agreement.

"Original Indenture" shall mean the Bond Indenture, dated as of April 1, 1995 by and between the Authority and the Bond Trustee, as previously amended and supplemented.

"Original Purchasers" shall mean the Persons designated in the Bond Purchase Contract as the initial purchaser or purchasers of the Series 2025A Bonds or, if so designated in such Bond Purchase Contract, the representatives or lead or managing underwriters of such initial purchasers.

"Outstanding", when used with reference to the Bonds, shall mean, as of any date of determination, all Bonds theretofore authenticated and delivered except: (i) Bonds theretofore canceled by the Bond Trustee or

delivered to the Bond Trustee for cancellation; (ii) Bonds which are deemed paid and no longer Outstanding as provided in the Bond Indenture; (iii) Bonds in lieu of which other Bonds have been issued pursuant to the provisions of the Bond Indenture relating to Bonds destroyed, stolen or lost, unless evidence satisfactory to the Bond Trustee has been received that any such Bond is held by a bona fide purchaser; and (iv) for purposes of any consent or other action to be taken under the Agreement or under the Bond Indenture by the Holders of a specified percentage of principal amount of Bonds, Bonds held by or for the account of the Authority, the Institution, or any Person controlling, controlled by, or under common control with, either of them.

"Outstanding", when used with reference to Notes, Guaranties and all other Indebtedness, shall mean, as of any date of determination, all Notes, Guaranties and all other Indebtedness theretofore issued or incurred and not paid and discharged except: (i) Notes theretofore canceled by the Bond Trustee or delivered to the Bond Trustee for cancellation; (ii) Notes or Guaranties which are deemed paid and no longer Outstanding as provided in the Agreement; (iii) Notes for which provision for payment has been made in the manner provided in the Agreement; (iv) Notes in lieu of which other Notes have been authenticated and delivered or have been paid unless proof satisfactory to the Bond Trustee has been received that any such Note is held by a bona fide purchaser; and (v) Indebtedness not represented by Notes or Guaranties which has been canceled, paid in full, discharged in full by the obligee or defeased with Government Obligations or Advance-Refunded Municipal Bonds.

"Paying Agent" shall mean the Bond Trustee and any other banks or trust companies and their successors designated as the paying agencies or places of payment for the Bonds.

"Permitted Acquisitions" shall mean acquisitions of Property permitted by Section 5.16 of the Agreement.

"Permitted Debt" shall mean Indebtedness of the Institution permitted by Section 5.18 of the Agreement.

"Permitted Dispositions" shall mean dispositions of Property permitted by Section 5.15 of the Agreement.

"Permitted Encumbrances" shall mean encumbrances on Property permitted by Section 5.14 of the Agreement.

"Permitted Guarantees" shall mean guarantees by the Institution permitted by Section 5.19 of the Agreement.

"Permitted Investments" for purposes of the Bond Indenture shall mean and include any of the following, if and to the extent the same are at the time legal investments of the Issuer's money:

(A) Government Obligations;

(B) Government Obligations which have been stripped of their unmatured interest coupons and interest coupons stripped from Government Obligations and receipts, certificates or other similar documents evidencing ownership of future principal or interest payments due on Government Obligations;

(C) Bonds, debentures, notes or other evidences of indebtedness issued by any of the following: Federal Home Loan Banks; Federal Home Loan Mortgage Corporation (including participation certificates); Federal National Mortgage Association; Government National Mortgage Association; Bank for Cooperatives; Federal Intermediate Credit Banks; Federal Financing Bank; Export-Import Bank of the United States; Federal Land Banks, Farm Credit System, Resolution Funding Corporation or Tennessee Valley Authority;

(D) All other obligations issued or unconditionally guaranteed as to the timely payment of principal and interest by an agency or Person controlled or supervised by and acting as an instrumentality of the United States government pursuant to authority granted by Congress;

(E) (i) Interest-bearing time or demand deposits, certificates of deposit, or other similar banking arrangements with any government securities dealer, bank, trust company, savings and loan association, national banking association or other savings institution (including the Bond Trustee or any affiliate thereof), provided that such deposits, certificates, and other arrangements are fully insured by the Federal Deposit Insurance Corporation or (ii) interest-bearing time or demand deposits or certificates of deposit with any bank, trust company, national banking association or other savings institution (including the Bond Trustee or any affiliate thereof), provided such deposits and certificates are in or with a bank, trust company, national banking association or other savings institution whose (or whose parent's) long-term unsecured debt is rated in either of the two highest long term rating categories by Moody's or S&P, and provided further that with respect to (i) and (ii) any such obligations are held by, or are in the name of, the Bond Trustee or a bank, trust company or national banking association (other than the issuer of such obligations);

(F) Repurchase agreements, to the extent that (i) the repurchase agreement must be between the Authority, or the Bond Trustee on its behalf, and a primary dealer listed on the Federal Reserve reporting dealer list, a bank, broker dealer or any other financial institution whose unsecured senior debt obligations are either rated or guaranteed by an entity rated, at the time of entry, "BBB+/Baa1" or better (without regard to any refinement or gradation of rating category by numerical modifier or otherwise) by at least one of S&P, Moody's, or Fitch; and (ii) the repurchase agreement must be in writing in the form of industry standard documentation or equivalent and include the following (1) the securities that are acceptable for transfer are of the type listed in (A), (B), (C) or (D) above, (2) the term of the repurchase agreement may not exceed the term of the Bonds, (3) the collateral must be delivered to the Authority, the Bond Trustee (if the Bond Trustee is not supplying the collateral) or a third party acting as agent for the Bond Trustee, and (4) the securities must be valued no less than weekly, marked to market at current market price, of the amount of cash transferred by the Authority, or the Bond Trustee on its behalf, to the dealer, bank or financial institution under the repurchase agreement plus accrued interest. If the value of the collateral drops below the minimum defined percentage of the value of the cash transferred by the Authority, or the Bond Trustee on its behalf, then additional cash and/or acceptable securities must be transferred to adjust the minimum requirement. The value of the collateral, in the case securities of the type described in section (A) above are pledged, must be equal to 102%, and in the case where securities of the type described in sections (B), (C), and (D) above are pledged, collateral must be equal to 103% or higher; to the extent the rating of the provider declines below BBB+ and Baa1, respectively, by S&P, Fitch and Moody's, the provider will be required to increase eligible collateral to 104% for collateral pledged in section (A) and 105% for collateral pledged in section (B), (C), and (D);

(G) Shares of a fixed income mutual fund, exchange traded fund or other collective investment fund registered under the federal Investment Company Act of 1940, whose shares are registered under the Securities Act of 1933, rated in one of the two highest long term rating categories by S&P or Moody's, including without limitation, any mutual fund for which the Bond Trustee or an affiliate of the Bond Trustee serves as investment manager, administrator, shareholder servicing agent, and/or custodian or subcustodian, notwithstanding that (a) the Bond Trustee or an affiliate of the Bond Trustee receives fees from such funds for services rendered, (b) the Bond Trustee charges and collects fees for services rendered pursuant to the Bond Indenture, which fees are, separate from the fees received from such funds, and (c) services performed for such funds and pursuant to the Bond Indenture may at times duplicate those provided to such funds by the Bond Trustee or its affiliates;

(H) Commercial paper rated in the highest rating category by Moody's or S&P;

(I) Investment agreements with (i) banks or non-bank financial institutions or vehicles or any or any related affiliate, subsidiary or guarantors thereof that at the time such agreement is executed whose unsecured long-term debt of such bank or non-bank financial institution is rated (or to the extent a related affiliate or subsidiary guarantor is rated) by at least one Rating Agency in one of the four highest rating categories assigned by such Rating Agency (without regard to any refinement or gradation of rating category by numerical modifier or otherwise); or (ii) if the short-term debt of either the bank, non-banking financial institution, or any related affiliate or subsidiary guarantor is rated by any Rating Agency in the highest rating category (without regard to any refinement or gradation of the rating category by numerical modifier or otherwise) assigned to short-term indebtedness by such rating; provided that if at any time after purchase the provider of the investment agreement drops below the four highest rating categories assigned by such Rating Agency, the investment agreement must, within 30 days, either (1) be assigned to a provider whose debt is rated or the related affiliate or subsidiary guarantor is rated in one of the four highest rating categories, (2) be secured by the provider with collateral securities, including potentially via a repurchase agreement subject to the rating provisions set forth in section (F) hereof with such pledged collateral as described in the investment agreement, the fair market value of which, in relation to the amount of the remaining deposit in the investment agreement including principal and interest, is equal to at least 102% for collateral securities from section (A) hereof (the only type of eligible collateral securities to be pledged in a downgrade situation), or as otherwise described in the agreement, (3) be subject to a replacement guarantee of payment by an entity rated in one of the four highest rating categories assigned by such Rating Agency (without regard to any refinement or gradation of rating category by numerical modifier or otherwise), or (4) any other arrangement satisfactory to the parties. For purposes of this section (I), Rating Agency means Moody's, S&P or Fitch;

(J) Advance - Refunded Municipal Bonds rated in the highest rating category by Moody's or S&P Ratings Group;

(K) Obligations issued by any State of the United States of America or any political subdivision or instrumentality thereof that are rated in one of the three highest rating categories by Moody's or S&P; and

(L) Forward delivery agreements, forward supply contracts, or similar products that provide for the delivery of the securities listed in sections (A), (B), (C), (D) or (H) above.

For the purpose of this definition, references to rating categories refers to such categories without regard to numerical or symbol modifiers (i.e. "AA+", "AA" and "AA-" constitute a single category).

"Permitted Investments" for the purpose of the Reserve Fund Resolution (subject to the last proviso of this definition) shall mean and include any of the following, if and to the extant the same are at the time legal for the investment of the Authority's money:

(a) Government Obligations;

(b) Receipts, certificates or other similar documents evidencing ownership of future principal or interest payments due on Government Obligations;

(c) Bonds, debentures, notes or other evidences of indebtedness issued by any of the following: Resolution Funding Corporation; Federal Home Loan Banks; Federal Home Loan Mortgage Corporation (including participation certificates); Federal National Mortgage Association; or Government National Mortgage Association; or any of their successors;

(d) Interest-bearing time or demand deposits, certificates of deposit, or other similar banking arrangements with any government securities dealer, bank, trust company, national banking association or other savings or financial institution (including the Reserve Fund Trustee), provided that such deposits, certificates, and

other arrangements are (i) fully insured by the Federal Deposit Insurance Corporation or (ii) in or with a government securities dealer, bank, trust company, national banking association or other savings or financial institution rated in either of the two highest long term rating categories by a nationally recognized rating service, and provided further that any such obligations are held by the Reserve Fund Trustee or a bank, trust company or national banking association satisfactory to the Authority (other than the issuer of such obligations) during the term of such contract;

(e) Repurchase agreement with a registered broker/dealer subject to the Securities Investors' Protection Corporation, or with a commercial bank, broker/dealer or bank or other financial institution (i) whose unsecured indebtedness is rated in either of the three highest long term rating categories by a nationally rating service, or (ii) which is the lead bank of a parent bank holding company whose unsecured indebtedness is rated in either of the three highest long term rating categories by a nationally recognized rating service, which repurchase agreement shall provide that: (A) the repurchase obligation of the registered broker/dealer or the bank or other financial institution is collateralized by securities described in paragraph (a) above which shall be held by the Reserve Fund Trustee (unless the Reserve Fund Trustee is obligated under the repurchase agreement) or by a third party which is a Federal Reserve Bank or a commercial bank with capital, surplus and undivided profits of not less than $25,000,000 or by the party to the repurchase agreement and the Reserve Fund Trustee shall have received written confirmation from said third party or from such party to the repurchase agreement that it holds said collateral securities free of any lien, as agent for the Reserve Fund Trustee; (B) a perfected security interest in favor of the Reserve Fund Trustee in the securities has been created under the Uniform Commercial Code or pursuant to the book entry procedures described in 31 C.F.R. 306.1 *et. seq.* or 31 C.F.R. 350.0 *et. seq.*; (C) the collateral securities on the date of execution of the repurchase agreement have a fair market value of at least 100% of the amount of the repurchase obligation, including both principal and interest; (D) the repurchase obligation is to be performed within 30 days of the date described in (C) above, or throughout the term of the repurchase agreement the collateral securities have a fair market value equal to at least 100% of the amount of the repurchase obligation; provided that any such repurchase obligation shall have a term to maturity of 30 days or less or, if not, that the Reserve Fund Trustee shall value the collateral securities not less frequently than monthly and shall liquidate the collateral securities if any deficiency in the required collateral percentage is not restored within two Business Days of such valuation; and (E) a specific written agreement governs the transaction;

(f) Money market accounts or an investment agreement with a financial institution whose unsecured, uninsured and unguaranteed long term debt (or the unsecured, uninsured and unguaranteed long-term debt of such institution's parent company) is rated in either of the two highest long term rating categories by a nationally recognized rating service;

(g) Commercial paper rated in one of the three highest rating categories by a nationally recognized rating service; and

(h) Obligations that are exempt from federal income taxation that are rated in one of the three highest rating categories by a nationally recognized rating service;

provided, however, that the Authority may covenant, in a Bond Indenture with respect to a series of Bonds, with a Credit Enhancer, to further restrict the types of instruments that would qualify as Permitted Investments hereunder for so long as such Credit Enhancer is insuring, guaranteeing or otherwise securing such series of Bonds.

"Permitted Releases" shall mean releases of mortgages on or security interests in Property permitted by Section 5.17 of the Agreement.

"Permitted Reorganizations" shall mean the consolidation, merger, or reorganization of the Institution permitted by Section 5.20 of the Agreement.

"Person" shall include an individual, association, unincorporated organization, corporation, partnership, joint venture, or government or agency or political subdivision thereof.

"Pledged Revenues" shall mean all revenues, proceeds and receipts of the Authority derived from the Note Payments, and the proceeds of the Bonds pending their application in accordance with the Bond Indenture.

"Principal Account" shall mean the account of the Bond Fund created pursuant to Section 5.01(a)(ii) of the Original Indenture.

"Project" shall mean the improvements of the Facility of each Institution described in Schedule B to each Agreement, to be financed and refinanced from the proceeds of the Series 2025A Bonds.

"Property" shall mean any and all assets of the Institution, any land, leasehold interests, buildings, machinery, equipment, hardware, and inventory of the Institution wherever located and whether now owned or hereafter acquired, any and all rights, titles and interests in and to any and all fixtures, and property whether real or personal, tangible or intangible and wherever situated and whether now owned or hereafter acquired and shall include all Current Assets, unrestricted funds, restricted funds and endowments, revenues, receipts or other moneys, or right to receive any of the same, including, without limitation, Gross Receipts, Accounts Receivable, the Land, the Buildings, the Equipment, the Project, contract rights, deposit accounts, investment property and general intangibles, and all proceeds of all of the foregoing. In the case of community health or social service facilities and nursing homes, property shall not include funds of clients of the Institution held by or under the control of the Institution for the benefit of such clients. In the case of educational facilities, property shall not include federal or State financial aid moneys held for the benefit of students.

"Property, Plant and Equipment" shall mean all Property of the Institution which is property, plant and equipment under generally accepted accounting principles.

"Rebate Fund" shall mean the fund created pursuant to Section 5.01 of the Original Indenture.

"Record Date" shall mean, with respect to the Series 2025A Bonds, each June 15 and December 15 and, with respect to any other Bonds, such dates as may be established therefor in the Supplement authorizing such other Bonds.

"Redemption Account" shall mean the account of the Bond Fund created pursuant to Section 5.01(a)(iv) of the Original Indenture.

"Redemption Price" shall mean, when used with respect to a Bond or portion thereof to be redeemed, the principal amount of such Bond or portion thereof plus the applicable premium, if any, payable upon redemption thereof.

"Registrar" shall mean the Bond Trustee, and any successor to its duties under the Bond Indenture.

"Related Documents" shall mean in connection with the Bond Insurance Policy, the Bond Indenture, the Reserve Fund Resolution and each Agreement.

"Renewal Fund" shall mean the fund created pursuant to Section 5.01 of the Original Indenture.

"Representation Letter" shall mean the Representation Letter from the Authority and the Bond Trustee to DTC with respect to one or more Series of Bonds.

"Reserve Fund" shall mean the Maine Health Facilities' Reserve Fund created pursuant to the Reserve Fund Resolution.

"Reserve Fund Requirement" shall mean, at the time of computation, for the then current or any future calendar year, the greatest amount required to be paid in any such calendar year with respect to the Bonds during such calendar year (giving allowance for the computation of debt service on the Bonds of each series for future calendar years as may be provided in the Bond Indenture or Agreement related to such particular series of Bonds); provided, however, that proceeds of a series of Bonds deposited into the Reserve Fund shall in no event exceed the highest amount permitted under the Internal Revenue Code of 1986, as amended to the date of issuance of such series.

"Reserve Fund Resolution" shall mean the Resolution Establishing the Maine Health Facilities' Reserve Fund adopted by the Authority on December 6, 1991, and when amended or supplemented, such Reserve Fund Resolution, as amended or supplemented.

"Reserve Fund Trustee" shall mean U.S. Bank Trust Company, National Association (as successor to U.S. Bank National Association), of Boston, Massachusetts, and any successor to its duties under the Reserve Fund Resolution.

"Reserve Fund Value" shall mean the lower of (i) the then current market value of Permitted Investments credited to the Reserve Fund, or (ii) the amortized cost (exclusive of accrued interest) of Permitted Investments credited to the Reserve Fund. Valuation on any particular date shall include the amount of interest then earned or accrued on such date on any monies or investments in the Reserve Fund.

"Serial Bonds" shall mean the Bonds which are so designated in the Bond Indenture and are stated to mature in annual installments.

"Series 2025A Agreements" shall mean, individually and collectively, each Loan Agreement and Mortgage, dated as of May 1, 2025, by and between the Authority and each Series 2025A Institution, and when amended or supplemented, such Series 2025A Agreements as amended or supplemented.

"Series 2025A Bonds" shall mean the bonds designated Maine Health and Higher Educational Facilities Authority, Revenue Bonds, Series 2025A, to be issued pursuant to the Bond Resolution and the Bond Indenture to finance and refinance the costs of the Projects for each of the Series 2025A Institutions.

"Series 2025A Institutions" shall mean those Institutions set forth in the forepart of this Official Statement.

"Series 2025A Notes" shall mean the Series 2025A Notes created and issued by the Series 2025A Institutions pursuant to the Agreements, issued to the Bond Trustee as assignee of the Authority by the Series 2025A Institutions, to evidence the loan to the Series 2025A Institutions from the Authority of a portion of the proceeds of the Series 2025A Bonds, in substantially the form set forth in Schedule C to the Series 2025A Agreements.

"Short-Term Indebtedness" shall mean all Indebtedness, other than Long-Term Indebtedness, for any of the following:

(i) Payments of principal and interest with respect to money borrowed for an original term, or renewable at the option of the borrower for a period from the date originally incurred, of one year or less;

(ii) Payments under leases which are capitalized in accordance with generally accepted accounting principles having an original term, or renewable at the option of the lessee for a period from the date originally incurred, of one year or less; and

(iii) Payments under installment purchase contracts having an original term of one year or less.

"Sinking Fund Account" shall mean the account of the Bond Fund created pursuant to Section 5.01(a)(iii) of the Original Indenture.

"Sinking Fund Account Requirement" shall mean, as to Term Bonds having the same stated maturity date, the aggregate principal amount of such Bonds required to be retired on or before the corresponding Sinking Fund Account Retirement Date.

"Sinking Fund Account Retirement Date" shall mean, as to Term Bonds having the same stated maturity date, the date on or before which such Term Bonds are required to be retired in an amount equal to the Sinking Fund Account Requirement for such date.

"Sinking Fund Installment" means the amount of money sufficient to redeem Series 2025A Bonds at the principal amount thereof in the amounts, at the times and in the manner set forth in the Bond Indenture.

"S&P" shall mean S&P Global Ratings, a division of S&P Global, Inc., and its successors

"State" shall mean the State of Maine.

"Subordinated Indebtedness" shall mean all obligations incurred or assumed by the Institution, the payment of which is by its terms specifically subordinated to payments on all Notes, or the principal of and interest on which would not be paid (whether by the terms of such obligation or by agreement of the obligee) when the Notes are in default or while bankruptcy, insolvency, receivership or other similar proceedings are instituted and implemented.

"Supplement" shall mean, with respect to the Reserve Fund Resolution, a resolution of the Authority supplementing or modifying the provisions of the Reserve Fund Resolution adopted by the Authority in accordance with the provisions of the Reserve Fund Resolution, and shall mean, with respect to the Bond Indenture, an indenture supplementing or modifying the provisions of the Bond Indenture entered into by the Authority and the Bond Trustee in accordance with Article IX of the Original Indenture.

"Supplemental Indenture" shall mean the Sixty-Third Supplemental Bond Indenture dated as of May 1, 2025, by and between the Authority and the Bond Trustee.

"Tax-Exempt Organization" shall mean 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) and exempt from federal income taxes under Section 501(a) of the Code, or corresponding provisions of federal income tax laws from time to time in effect.

"Tax Regulatory Agreement" shall mean the Tax Regulatory Agreement, dated the date of delivery of the Series 2025A Bonds, by and among the Authority, each Series 2025A Institution, and the Bond Trustee.

"Term Bonds" shall mean the Bonds designated as Term Bonds in the Bond Indenture.

"Transaction Test" shall mean the Authority and the Bond Trustee shall have received any one of the following:

(A) a Consultant's opinion, report or certificate demonstrating that the Long-Term Debt Service Coverage Ratio for the Future Test Period is projected to be not less than 1.35.

(B) an Officer's Certificate demonstrating that the Long-Term Debt Service Coverage Ratio for the Historic Test Period, assuming that the proposed additional Long-Term Indebtedness had been incurred at the beginning of the Historic Test Period and as such the proposed Long-Term Indebtedness is added to the then current aggregate outstanding principal amount of all Long-Term Indebtedness, is not less than 1.25.

(C) (1) an Officer's Certificate demonstrating that the Long-Term Debt Service Coverage Ratio for the Historic Test Period is not less than 1.20, and (2) a Consultant's opinion, report or certificate demonstrating that the Long-Term Debt Service Coverage Ratio for the Future Test Period is projected to be not less than 1.30.

(D) an Officer's Certificate, verified by an opinion, report or certificate of an Accountant, demonstrating, based upon audited financial statements for the Historic Test Period, that immediately after the proposed transaction the aggregate principal amount of all outstanding Long-Term Indebtedness (less the amount of any Debt Reserves) will not exceed sixty percent (60%) of the Capitalization of the Institution.

(E) In the case of community health or social service facilities, the Transaction Test shall be satisfied by the delivery of an Officer's Certificate demonstrating that (i) the Department of Health and Human

Services of the State or another educational or welfare department of the State has issued a Contract for Purchase of Community Services or similar arrangement in the amount necessary to provide for debt service of the projected Indebtedness for a period of not less than one year, together with a copy of such contract, and (ii) the Institution is in good standing as a community mental health provider by the Department of Health and Human Services of the State.

The requirements of clauses (A) through (C) of the definition of Transaction Test above shall be deemed satisfied if Law or Regulation Circumstances exist, and if there is delivered to the Authority and the Bond Trustee a Consultant's opinion, report or certificate (or at the discretion of the Authority, an Officer's Certificate) to the effect that the Long-Term Debt Service Coverage Ratio for the Future Test Period is projected to be not less than the highest practicable level, but in no event less than 1.00.

Each community health or social services facility agrees that it shall not employ paragraph (E) above to satisfy the Transaction Test without obtaining the prior written consent of the Authority, which consent shall be in the sole and absolute discretion of the Authority. Prior to granting consent, the Authority shall be entitled to request any additional documents or certificates from the Institution, the Department of Health and Human Services of the State or any other educational or welfare department of the State which it deems appropriate, including but not limited to a letter from the Department of Health and Human Services evidencing the support of such department to the Institution's incurrence of the Indebtedness.

"Value" when used in connection with Property, Plant and Equipment or other Property of the Institution, shall mean: (i) at the option of the Institution (a) the cost basis of such Property, net of accumulated depreciation, as it is carried on the books of the Institution and in conformity with generally accepted accounting principles consistently applied, and when used in connection with Property, Plant and Equipment or other Property of the Institution, means the aggregate of the cost bases so determined with respect to such Property of the Institution or (b) the appraised value of such Property as determined by an appraiser who is a Member of the Appraisal Institute (MAI) and reasonably acceptable to the Authority and the Bond Trustee, such appraisal taking place within two (2) years of the date such value is used in any computation or calculation required by the Agreement, and (ii) when used in connection with Accounts Receivable, Current Assets and Gross Receipts, shall mean the value of such items as set forth in the most recent audited financial statements of the Institution.

"Variable Rate Indebtedness" shall mean Indebtedness that bears interest at a variable, adjustable or floating rate.

CERTAIN PROVISIONS OF THE RESERVE FUND RESOLUTION

Reserve Fund and General Fund

Creation, Administration and Maintenance of Reserve Fund. (a) Upon the adoption of the Reserve Fund Resolution by the Authority and the acceptance of the Reserve Fund Resolution by the Reserve Fund Trustee, the Reserve Fund Trustee shall create the Reserve Fund to be held in trust for the Holders of the Bonds.

(b) Within the Reserve Fund the Reserve Fund Trustee shall, by ledger entry only, create, for each series of Bonds, an account for each Institution borrowing proceeds of a series of Bonds pursuant to an Agreement. Within each such account the Reserve Fund Trustee shall, by ledger entry only, keep records of each Institution's equity contribution to the Reserve Fund, if any, each Institution's allocable share, if any, of investment earnings, if any, on any and all Permitted Investments, if any, held in the Reserve Fund from time to time, and each Institution's allocable share, if any, of deposits to (from whatever source), and withdrawals from, the Reserve Fund. The Authority shall designate, in each Bond Indenture pursuant to which Bonds are issued, whether or not the proceeds of such Bonds (or other funds) deposited into the Reserve Fund shall constitute an asset of the Authority or an asset of an Institution or group of Institutions. If funds deposited into the Reserve Fund are designated as being an asset of the Authority, the amount of proceeds of such Bonds lent to Institutions pursuant to the related Agreements shall not include the amounts so deposited into the Reserve Fund, and the Institutions shall have no rights or liabilities (other than the liabilities described in Section 2.01(e) of the Reserve Fund Resolution) with respect to such moneys in the Reserve Fund, or any investment earnings thereon. In no event shall any such designation prevent any and all moneys held on deposit in the Reserve Fund from being applied to pay debt service on any bonds as may be necessary because of a failure to make a Note Payment by one or more Institutions or otherwise.

(c) The Authority shall establish and maintain the Reserve Fund in accordance with the provisions of the Reserve Fund Resolution. There shall be deposited into the Reserve Fund, promptly upon receipt by the Reserve Fund Trustee, (i) all money appropriated by the State for the purpose of the Reserve Fund; (ii) all proceeds of Bonds that may be required to be deposited in the Reserve Fund pursuant to the terms and conditions of any Bond Indenture or Bond Resolution; (iii) any other money or funds of the Authority that the Authority determines to deposit in the Reserve Fund (including, but not limited to, any money or funds held in a construction fund, bond fund or debt service fund established under a Bond Indenture or Bond Resolution); and (iv) any other money made available to the Authority for the purpose of the Reserve Fund from any other source or sources (including, but not limited to, equity contributions made by Institutions). The Reserve Fund Trustee is directed to make such deposits into the Reserve Fund as are required to be made under the Reserve Fund Resolution. All money and securities held in the Reserve Fund shall be used, disbursed and applied only in accordance with the provisions of the Reserve Fund Resolution and for no other purpose. Money and securities held in the Reserve Fund shall not be withdrawn therefrom at any time in such amount as would reduce the Reserve Fund Value of money and securities in the Reserve Fund to an amount less than the Reserve Fund Requirement other than in accordance with the provisions of and for the purposes prescribed by the Reserve Fund Resolution and by Section 2075(1)(A) of the Act, being: (i) payment of interest then due and payable on Bonds; (ii) payment of the principal of Bonds then maturing and payable; (iii) sinking fund payments with respect to Bonds; (iv) the retirement of Bonds in accordance with the terms of any Bond Indenture; or (v) the payment for which other money of the Authority is not then available for payment of interest, principal or sinking fund payments or the retirement of Bonds in accordance with the terms of any such Bond Indenture, all as provided in the Reserve Fund Resolution.

(d) In order to assure the maintenance of the Reserve Fund in an amount equal to the Reserve Fund Requirement and in compliance with the requirements of the Act, the Authority shall cause its Executive Director annually, on or before each December 1, to make and deliver to the Governor of the State a certificate stating the amount, if any, required to restore the Reserve Fund to the Reserve Fund Requirement, and a copy of any such certificate shall be promptly delivered by the Executive Director of the Authority to the Reserve Fund Trustee. All money received by the Authority from the State pursuant to any such certification, in accordance with the provisions of Section 2075(1)(C) of the Act, shall be paid to the Reserve Fund Trustee for deposit into the Reserve Fund.

(e) In addition to the provisions of paragraph (d) above, in order to further assure the maintenance of the Reserve Fund in an amount equal to the Reserve Fund Requirement, the Authority covenants that with respect to each series of Bonds to be secured by the Reserve Fund it will cause each Institution borrowing all or

a portion of the proceeds of a series of Bonds to covenant with the Authority in the applicable Agreement that the payments to be made by such Institution to the Authority pursuant to such Agreement shall include:

(i) such Institution's allocable share (within the meaning of the Reserve Fund Resolution as set forth below) of the amount or amounts to be deposited into the Reserve Fund sufficient to cause the Reserve Fund Value to be not less than the Reserve Fund Requirement, within three months (in three substantially equal monthly installments) after a computation of the Reserve Fund Value by the Reserve Fund Trustee indicates that the Reserve Fund Value is below the Reserve Fund Requirement, in the event that such deficiency results from a decline in the market value of Permitted Investments held in the Reserve Fund; provided, however, that the Institution shall not be required to make such three monthly installments required by this clause in the event that the Authority and such Institution shall have entered into an arrangement or contract to provide for the replenishment of any such deficiency, or the Authority otherwise provides for the replenishment of such deficiency, and such deficiency is replenished within such three month period;

(ii) such Institution's allocable share (within the meaning of the Reserve Fund Resolution as set forth below) of the amount or amounts to be deposited into the Reserve Fund sufficient to cause the Reserve Fund Value to be not less than the Reserve Fund Requirement, in six substantially equal monthly installments after any transfer of funds by the Reserve Fund Trustee from the Reserve Fund, as a result of such Institution's failure to make a timely payment or payments due to the Authority under an Agreement with respect to debt service on Bonds, or as a result of the recovery of any payment made to a Holder in the event that such payment is determined to constitute an avoidable preference to such Holder; provided, however, that the Institution shall not be required to make such six monthly installments required by this clause in the event that the Authority and such Institution shall have entered into an arrangement or contract to provide for the replenishment of any such deficiency, or the Authority otherwise provides for the replenishment of such deficiency, and such deficiency is replenished within such six month period;

(iii) such Institution's allocable share (within the meaning of the Reserve Fund Resolution as set forth below) of lost investment earnings on moneys in the Reserve Fund, as determined by the Authority in its sole discretion, as a result of a transfer of funds by the Reserve Fund Trustee from the Reserve Fund in an amount in excess of such Institution's allocable share of the Reserve Fund, within six months, as a result of such Institution's failure to make a timely payment or payments due to the Authority under an Agreement with respect to debt service on Bonds, or as a result of the recovery of any payment made to a Holder in the event that such payment is determined to constitute an avoidable preference to such Holder; provided, however, that the Institution shall not be required to make such six monthly installments required by this clause in the event that the Authority and such Institution shall have entered into an arrangement or contract to provide for the replenishment of any such deficiency, or the Authority otherwise provides for the replenishment of such deficiency, and such deficiency is replenished within such six month period; and

(iv) such Institution's allocable share (within the meaning of the Reserve Fund Resolution as set forth below) of any and all amounts by which the earnings from the investments held or on deposit in the Reserve Fund are less than the debt service payments and related expenses due with respect to an amount of Bonds, the proceeds of which were deposited into the Reserve Fund, as determined by the Authority from time to time, in monthly installments; provided, however, that the Institution shall not be required to make such installments required by this clause in the event that the Authority and such Institution shall have entered into an arrangement or contract to provide for the replenishment of any such deficiency, or the Authority otherwise provides for the replenishment of such deficiency, and such deficiency is replenished within thirty (30) days.

When used in the Reserve Fund Resolution, any reference to an Institution's "allocable share" or "allocable portion" of amounts in a fund or account, costs, expenses, payments etc. shall mean: (i) in the event that any amount, cost, expense or payment is related to a specific Institution because of any action or inaction on the part of such specific Institution, all of such amount, cost, expense or payment; and (ii) in the event that any amount, cost,

expense or payment is not so related to a specific Institution, but rather to all, or a group of, Institutions, the percentage of such amount, cost, expense or payment computed by utilizing a fraction, the numerator of which is the then Outstanding principal amount of Bonds issued on behalf of such Institution and the denominator of which is the then Outstanding principal amount of all Bonds issued on behalf of all Institutions in question; provided, however, that "allocable share" and "allocable portion" may be adjusted in the sole discretion of the Authority as may be reasonable and appropriate under the circumstances.

(f) From time to time in accordance with a Bond Indenture, all or a portion of a series of Bonds may be defeased, refunded, redeemed or otherwise deemed paid and no longer Outstanding under the Reserve Fund Resolution or under such Bond Indenture. In such event and simultaneously therewith, the Reserve Fund Trustee, upon receipt of written directions from the Authority, shall transfer from the Reserve Fund the applicable Institution's allocable share of moneys or investments held in the Reserve Fund to the applicable Bond Trustee for application, either directly or by deposit into an escrow fund or a redemption fund, to such defeasance, refunding, redemption or payment of such Bonds, or to such other use permitted by law, all as may be directed by the Authority; provided, however, that no such transfer shall occur if (i) the money in the Reserve Fund allocable to such Institution has been designated by the Authority, pursuant to the Reserve Fund Resolution, as being an asset of the Authority, or (ii) the result of such transfer is to cause the amounts held on deposit in the Reserve Fund to be less than the Reserve Fund Requirement. (Section 2.01)

Creation and Administration of General Fund. (a) Upon the adoption of the Reserve Fund Resolution by the Authority and the acceptance of the Reserve Fund Resolution by the Reserve Fund Trustee, the Reserve Fund Trustee shall establish the General Fund to be held in trust for the Holders of the Bonds.

(b) The Authority shall maintain the General Fund established by the Reserve Fund Trustee in accordance with the provisions of the Reserve Fund Resolution. There shall be deposited into the General Fund, promptly upon receipt by the Reserve Fund Trustee, (i) all money or funds held in the Reserve Fund in excess of the Reserve Fund Requirement; (ii) all investment income or interest earnings on amounts in the Reserve Fund (so long as the Reserve Fund Value equals or exceeds the Reserve Fund Requirement) and in the General Fund, as provided in, and subject to, the provisions of the Reserve Fund Resolution; (iii) all proceeds of Bonds that may be required to be deposited in the General Fund pursuant to the terms and conditions of any Bond Indenture or Bond Resolution; (iv) any other money or funds of the Authority that the Authority determines to deposit in the General Fund; and (v) any other money made available to the Authority for the purpose of the General Fund from any other source or sources. The Reserve Fund Trustee is directed to make such deposits into the General Fund as are required to be made under the Reserve Fund Resolution. All money and securities held in the General Fund shall be used, disbursed and applied only in accordance with the provisions of the Reserve Fund Resolution and for no other purpose. Money and securities held in the General Fund may be utilized by the Authority, in its sole discretion, upon written direction by the Authority to the Reserve Fund Trustee, for (i) payments of principal of, premium, if any, and interest on Bonds; (ii) payments to an Institution as may from time to time be determined by the Authority; (iii) payments by the Authority of obligations of an Institution that might arise under the Reserve Fund Resolution, under a Bond Indenture, under an Agreement or under a Tax Regulatory Agreement, including, but not limited to, any rebate liability under the Internal Revenue Code of 1986, as amended, or any initial or annual administrative fees of the Authority, the Reserve Fund Trustee or a Bond Trustee; (iv) payments to the United States, to the Earnings Fund or to the Rebate Fund, as may be directed by the Authority; or (v) payments to the Authority free and clear of any lien or pledge under the Reserve Fund Resolution for application to any of the Authority's corporate purposes permitted under the Act; provided, however, that the Authority may not withdraw moneys from the General Fund (other than to provide for the payment of principal of or interest on Bonds secured by the Reserve Fund) unless there is reasonably projected by the Authority to be sufficient funds after such withdrawal available in the General Fund, or otherwise readily available, to make the next required payment of principal of or interest on Bonds secured by the Reserve Fund; and provided further, however, that the Authority may not withdraw moneys from the General Fund (other than to provide for the payment of principal of or interest on Bonds secured by the Reserve Fund) in the event of a payment default on Bonds secured by the Reserve Fund at any time after the Authority has notice or knowledge of such a default until such default has been cured or in the event the Reserve Fund Trustee has drawn upon the Reserve Fund or the General Fund to pay its fees and expenses unless such amounts have been reimbursed to the Reserve Fund or the General Fund, as the case may be.

(c) Within the General Fund the Reserve Fund Trustee shall, by ledger entry only, create, for each series of Bonds, an account for each Institution borrowing proceeds of a series of Bonds pursuant to an Agreement. Within each such account the Reserve Fund Trustee shall, by ledger entry only, keep records of each Institution's allocable share of investment earnings, if any, on any and all Permitted Investments, if any, held in the General Fund from time to time, and each Institution's allocable share of deposits to (from whatsoever source), and withdrawals from, the General Fund. All amounts held or on deposit in the General Fund shall constitute assets of the Authority, and the Institution shall have no rights or liabilities (other than for payment of any rebate obligation to the United States) with respect to such moneys in the General Fund, or any investment earnings thereon. (Section 2.02)

Application of Bond Proceeds and Other Moneys. (a) All proceeds of the sale of a series of Bonds, and any moneys provided by an Institution, shall be paid to the Bond Trustee as provided in the applicable Bond Indenture, at or prior to the delivery of such series of Bonds. Such funds shall be deposited by the Bond Trustee in the manner determined by the applicable Bond Indenture. Each such Bond Indenture (i) shall provide for the transfer, concurrently with the delivery of the applicable series of Bonds, by the Bond Trustee to the Reserve Fund Trustee of amounts to be deposited into the Reserve Fund and (ii) may provide for the transfer, concurrently with the delivery of the applicable series of Bonds, by the Bond Trustee to the Reserve Fund Trustee of amounts to be deposited into the General Fund. Such amounts to be deposited into the Reserve Fund or into the General Fund may be derived, in whole or in part, from proceeds of a series of Bonds, from an Institution's equity contribution, or from any other sources permitted by the Act. Upon receipt of any such funds, from a Bond Trustee or otherwise, the Reserve Fund Trustee shall promptly deposit such funds into the Reserve Fund or into the General Fund, as the case may be, as set forth in the Bond Indenture.

(b) Notwithstanding anything in the Reserve Fund Resolution to the contrary, in the event that any money is deposited into any fund or account under the Reserve Fund Resolution, inadvertently or otherwise, that is not required or necessary to be deposited therein pursuant to the terms of the Reserve Fund Resolution, such money shall be transferred by the Reserve Fund Trustee, at the direction of the Authority, to any other fund or account created under the Reserve Fund Resolution or under a Bond Indenture or to any other Person, including, but not limited to, the Authority, a Bond Trustee, an Institution, the State of Maine or the United States.

(c) Notwithstanding anything in the Reserve Fund Resolution to the contrary, upon the occurrence and continuance of a Bond Indenture Event of Default relating to the payment of debt service on the Bonds, and the failure of the Authority to exercise any and all reasonable remedies then available to the Authority, the Bond Trustee may enforce the rights or obligations of the Authority under such Bond Indenture or under the Reserve Fund Resolution as may relate to such Bond Indenture Event of Default, including, but not limited to, directing the Reserve Fund Trustee to transfer funds from the Reserve Fund or the General Fund to such Bond Trustee for deposit into the Bond Fund created pursuant to such Bond Indenture; provided, however, that in no event shall a Bond Trustee be permitted or have the right to exercise powers of the Authority under Sections 2075 or 2076 of the Act. (Section 2.03)

Utilization of Reserve Fund. (a) When moneys held under a Bond Indenture in a bond fund or otherwise are insufficient to pay principal of, premium, if any, or interest on Bonds when due, moneys in the Reserve Fund shall be used at the direction of the Authority to augment payments due for principal, premium, if any, or interest on the Bonds, including, but not limited to, the payment of the principal of, premium, if any, or interest on a series of Bonds in any year of maturity of such series of Bonds or in the event of the redemption in whole or in part of such series of Bonds in accordance with the applicable Bond Indenture. The Authority covenants that, upon the occurrence of any such deficiency for which the Authority has received notice from the applicable Bond Trustee, the Authority shall promptly (and in any event no later than the Business Day prior to the next interest payment date for such Bonds) notify the Reserve Fund Trustee thereof and direct the Reserve Fund Trustee to apply money in the Reserve Fund to replenish such deficiency (not later than the Business Day prior to the next interest payment date for such Bonds) unless the Authority shall have otherwise elected to promptly utilize other available money to replenish such deficiency and shall have provided such other available money to the applicable Bond Trustee. Upon receipt by the Reserve Fund Trustee of notice from the Authority of the existence of such insufficiency for the payment of principal of, premium, if any, or interest on Bonds when due, the Reserve Fund Trustee shall promptly transfer funds from the Reserve Fund (as a first priority, from the account within the Reserve Fund designated for the particular Institution or Institutions whose failure to make a payment when due under an Agreement gave rise to such deficiency, if such deficiency arises from such failure of an Institution or Institutions, and after such account has been depleted, if applicable, from all other accounts within the Reserve Fund, pro-rata among all such other accounts according to the

amounts then credited to such accounts) to the applicable Bond Trustee for subsequent and prompt application by the Bond Trustee to the payment of principal of, premium, if any, or interest on Bonds when due in accordance with the applicable Bond Indenture. When moneys in the Reserve Fund are so used, the Reserve Fund Trustee shall forthwith give written notice thereof to the Authority. If at any time the Reserve Fund Value exceeds the Reserve Fund Requirement, from other than investment earnings thereon (which shall be transferred to the General Fund), such excess may be transferred, at the written direction of the Authority, to the General Fund for application to any purpose permitted under the Reserve Fund Resolution.

(b) In addition to the uses specified in paragraph (a) above, the Reserve Fund shall also be available for the reimbursement to a Holder of any payment of principal of, premium, if any, or interest on Bonds which payment is subsequently recovered from any Holder pursuant to a final judgment by a court or competent jurisdiction that such payment constitutes an avoidable preference to such Holder within the meaning of any applicable bankruptcy law. (Section 2.04)

Investment of Moneys Held in the Reserve Fund and in the General Fund. (a) Moneys in the Reserve Fund and in the General Fund held by the Reserve Fund Trustee shall be invested by the Reserve Fund Trustee, as soon as possible upon receipt in Permitted Investments as directed in writing by the Authority, or as selected by the Reserve Fund Trustee in the absence of direction by the Authority.

(b) Amounts credited to any account within the Reserve Fund or in the General Fund may be invested on a commingled basis, together with amounts credited to one or more other accounts within the Reserve Fund or within the General Fund, in the same Permitted Investment, provided that (i) each such investment complies in all respects with the provisions of subsection (a) of this section as they apply to such account for which the joint investment is made and (ii) the Reserve Fund Trustee maintains separate records for such account and such investments are accurately reflected therein.

(c) The Reserve Fund Trustee may make any investment permitted by this section, through or with its own commercial banking or investment departments unless otherwise directed by the Authority.

(d) The Reserve Fund Trustee shall calculate the Reserve Fund Value semiannually on or as of each January 1 and July 1, unless the Permitted Investments on deposit in the Reserve Fund have an average aggregate weighted term to maturity not greater than five (5) years. In addition, the Reserve Fund Trustee shall calculate the Reserve Fund Value as requested from time to time by the Authority, but not more frequently than once each calendar month. In computing the amount in the Reserve Fund, Permitted Investments purchased as an investment of moneys therein shall be valued at their Reserve Fund Value. The Reserve Fund Trustee shall compute the Reserve Fund Value, and give written notice of the Reserve Fund Value and the date of its computation, to the Authority, as may be requested from time to time by the Authority, but not more frequently than once each calendar month.

(e) The Reserve Fund Trustee shall sell at the best price obtainable, or present for redemption, any Permitted Investment purchased by it as an investment whenever it shall be necessary in order to provide moneys to meet any payment or transfer from the Reserve Fund or from the General Fund.

(f) Neither the Reserve Fund Trustee nor the Authority shall knowingly use or direct or permit the use of any moneys of the Authority in its possession or control in any manner which would cause any Bond to be an "arbitrage bond" within the meaning ascribed to such term in Section 148 of the Code, or any successor section of the Code.

(g) Notwithstanding any provision of the Reserve Fund Resolution, the Authority shall observe its covenants and agreements contained in each Tax Regulatory Agreement, to the extent that and for so long as such covenants and agreements are required by law.

(h) The Reserve Fund Trustee shall terminate any repurchase agreement with respect to an investment in the Reserve Fund upon a failure of the counter party thereto to maintain the requisite collateral percentage required under the Reserve Fund Resolution after any applicable restoration period and, if not paid by the

counter party in immediately available funds against transfer of the repurchase agreement securities, liquidate such collateral.

(i) The Reserve Fund Trustee shall give notice to any provider of an investment agreement with respect to an investment in the Reserve Fund in accordance with the terms of the investment agreement so as to receive funds thereunder without penalty or premium paid.

(j) The Reserve Fund Trustee shall, upon receipt of actual knowledge of the withdrawal or suspension of either of the ratings of an investment agreement provider with respect to an investment in the Reserve Fund or a lowering of the ratings thereon below "A", so notify each Credit Enhancer and, if so directed by one or more Credit Enhancers, shall demand further collateralization of the agreement or liquidation thereof.

(k) If at any time an investment of amounts in the Reserve Fund is made, which investment thereafter ceases to constitute a Permitted Investment, and such investment, when aggregated with all other then non-conforming investments, exceeds ten percent (10%) of the funds then credited to the Reserve Fund, the Reserve Fund Trustee shall promptly sell or liquidate such investment, unless otherwise approved by the Credit Enhancers. (Section 2.05)

Investment Income. An account of all investment income or interest earnings on amounts allocable to each series of the Bonds in the Reserve Fund or in the General Fund shall be given on a monthly basis by the Reserve Fund Trustee to the Authority and to the applicable Bond Trustee, with instructions to such Bond Trustee to the effect that such amounts are to be credited by ledger entry by the applicable Bond Trustee to the applicable Earnings Fund (as established in the applicable Bond Indenture) as provided in the Bond Indenture.

All income and gain from investment of the Reserve Fund, so long as the Reserve Fund Value equals or exceeds the Reserve Fund Requirement, shall be transferred to the General Fund. All income and gain from investment of the General Fund, so long as the Reserve Fund Value equals or exceeds the Reserve Fund Requirement, shall be retained in the General Fund. All income and gain from investment of the Reserve Fund or the General Fund, so long as the Reserve Fund Value is less than the Reserve Fund Requirement, shall be retained in or transferred to, as the case may be, the Reserve Fund. Any loss realized from investments of money in the Reserve Fund or in the General Fund shall be charged to the fund from which such investment was made. (Section 2.07)

The Reserve Fund Trustee

Removal and Resignation of the Reserve Fund Trustee. The Reserve Fund Trustee may at any time with notice to the Authority, the Credit Enhancers, the Bond Trustees and the Institutions, resign or may be removed at any time by an instrument or instruments in writing signed by the Holders of not less than a majority of the principal amount of Bonds then Outstanding or by the Credit Enhancers of at least a majority of the aggregate principal amount of Bonds then Outstanding. Written notice of such resignation or removal shall be given to the Authority and each Credit Enhancer and such resignation or removal shall only take effect upon the appointment and qualification of, and acceptance by, a successor Reserve Fund Trustee. In the event a successor Reserve Fund Trustee has not been appointed and qualified within sixty (60) days of the date notice of resignation is given, the Reserve Fund Trustee or the Authority may apply to any court of competent jurisdiction for the appointment of a successor Reserve Fund Trustee to act until such time as a successor is appointed as provided in this section.

In addition, the Reserve Fund Trustee may be removed at any time with or without cause, by Supplement to the Reserve Fund Resolution signed by the Authority so long as the Authority determines, in such Supplement, that the removal of the Reserve Fund Trustee shall not have an adverse effect upon the rights or interests of the Bondholders.

In the event of the resignation or removal of the Reserve Fund Trustee or in the event the Reserve Fund Trustee is dissolved or otherwise becomes incapable to act as the Reserve Fund Trustee, the Authority shall be entitled to appoint a successor Reserve Fund Trustee. In such event, the successor Reserve Fund Trustee shall cause notice to be mailed to the Holders of all Bonds then Outstanding in such manner deemed appropriate by the Authority. If the Reserve Fund Trustee resigns, the resigning Reserve Fund Trustee shall pay for such notice. If the Reserve

Fund Trustee is removed, is dissolved, or otherwise becomes incapable of acting as Reserve Fund Trustee, the Authority shall pay for such notice.

Any corporation or association that succeeds to the corporate trust business of the Reserve Fund Trustee as a whole or substantially as a whole, whether by sale, merger, consolidation or otherwise, shall thereby become vested with all the property, rights and powers of the Reserve Fund Trustee under the Reserve Fund Resolution, without any further act or conveyance.

Unless otherwise ordered by a court or regulatory body having competent jurisdiction, or unless required by law, any successor Reserve Fund Trustee shall be a trust company or bank having the powers of a trust company as to trusts, qualified to do and doing trust business in the State and having an officially reported combined capital, surplus, undivided profits and reserves aggregating at least $50,000,000 (or such lesser amount as may be approved by the Credit Enhancers), if there is such an institution willing, qualified and able to accept the trust upon reasonable or customary terms.

Every successor Reserve Fund Trustee howsoever appointed under the Reserve Fund Resolution shall execute, acknowledge and deliver to its predecessor and also to the Authority an instrument in writing, accepting such appointment under the Reserve Fund Resolution, and thereupon such successor Reserve Fund Trustee, without further action, shall become fully vested with all the rights, immunities, powers, trusts, duties and obligations of its predecessor, and such predecessor shall execute and deliver an instrument transferring to such successor Reserve Fund Trustee all the rights, powers and trusts of such predecessor. The predecessor Reserve Fund Trustee shall execute any and all documents necessary or appropriate to convey all interest it may have to the successor Reserve Fund Trustee. The predecessor Reserve Fund Trustee shall promptly deliver all records relating to the trust or copies thereof and communicate all material information it may have obtained concerning the trust to the successor Reserve Fund Trustee.

Each successor Reserve Fund Trustee, not later than ten (10) days after its assumption of the duties under the Reserve Fund Resolution, shall mail a notice of such assumption to each Bond Trustee, who in turn shall mail a notice of such assumption to the applicable Institution and to each applicable Holder of a registered Bond. (Section 4.06)

Supplements

Supplements Not Requiring Consent of Bondholders. Prior to the issuance of any Bonds designated by the Authority in a Bond Indenture as being secured by the Reserve Fund, the Reserve Fund Resolution may be amended or modified by Supplement or otherwise, as directed by the Executive Director of the Authority, without the consent of or notice to any of the Holders, for any purpose consistent with the goals and intentions of the Authority under the Act. After the issuance of any Bonds designated by the Authority in a Bond Indenture as being secured by the Reserve Fund, without the consent of or notice to any of the Holders, the Authority may adopt and the Reserve Fund Trustee may accept, one or more Supplements for one or more of the following purposes:

(a) to cure any ambiguity or formal defect or omission in the Reserve Fund Resolution, so long as such amendment is not inconsistent with the terms of the Reserve Fund Resolution;

(b) to correct or supplement any provision in the Reserve Fund Resolution which may be inconsistent with any other provision in the Reserve Fund Resolution, or, with the consent of each Credit Enhancer, to make any other provisions with respect to matters or questions arising under the Reserve Fund Resolution which shall not materially adversely affect the interests of the Holders;

(c) To grant or confer upon the Holders any additional rights, remedies, powers or authority that may lawfully be granted or conferred upon them;

(d) To secure additional revenues or provide additional security or reserves for payment of the Bonds;

(e) To preserve the exemption of the interest income borne on the Bonds from federal income taxes;

(f) To remove the Reserve Fund Trustee; and

(g) To address any regulatory changes, whether Federal or State, or any changes in the Code or the regulations or rulings under the Code, or any other significant changes in the health care industry; provided, however, that prior to the effectiveness of any such Supplement, notice of the substance of such Supplement shall be given in writing by or on behalf of the Authority to any rating agency then rating the Outstanding Bonds, and such rating agency or agencies shall have indicated in writing that the ratings then in effect on the Bonds shall not be withdrawn or reduced as a result of such Supplement. (Section 5.01)

Supplements Requiring Consent of Bondholders. (a) Other than Supplements referred to in the prior section and subject to the terms and provisions and limitations contained in the Reserve Fund Resolution and not otherwise, the Holders of not less than fifty-one percent (51%) in aggregate principal amount of the Bonds then Outstanding shall have the right, from time to time, anything contained in the Reserve Fund Resolution to the contrary notwithstanding, to consent to and approve the adoption by the Authority and the acceptance by the Reserve Fund Trustee of such Supplements 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 the Reserve Fund Resolution; provided, however, nothing in this section shall permit or be construed as permitting a Supplement which would:

(i) reduce the Reserve Fund Requirement or otherwise reduce or eliminate the effectiveness of the Reserve Fund replenishment mechanism provided in the Act without the consent of the Holder of such Bond;

(ii) prefer or give a priority to any Bond over any other Bond without the consent of the Holder of each Bond then Outstanding not receiving such preference or priority; or

(iii) reduce the aggregate principal amount of Bonds then Outstanding the consent of the Holders of which is required to authorize such Supplement without the consent of the Holders of all Bonds then Outstanding.

(b) If at any time the Authority shall request the Reserve Fund Trustee to accept a Supplement pursuant to this section, the Reserve Fund Trustee shall, upon being satisfactorily indemnified with respect to expenses, cause notice of the proposed acceptance of such Supplement to be mailed by first class mail, postage prepaid, to all Holders of Bonds then Outstanding at their addresses as they appear on the registration books provided for in each Bond Indenture. The Reserve Fund Trustee shall not, however, be subject to any liability to any Bondholder by reason of its failure to mail, or the failure of such Bondholder to receive, the notice required by this section, and any such failure shall not affect the validity of such Supplement when consented to and approved as provided in this section. Such notice shall briefly set forth the nature of the proposed Supplement and shall state that copies thereof are on file at the office of the Reserve Fund Trustee for inspection by all Bondholders.

(c) If within such period, not exceeding three years, as shall be prescribed by the Authority, following the first giving of such notice, the Reserve Fund Trustee shall receive an instrument or instruments purporting to be executed by the Holders of not less than the aggregate principal amount or number of Bonds specified for the Supplement in question which instrument or instruments shall refer to the proposed Supplement described in such notice and shall specifically consent to and approve the adoption and acceptance thereof in substantially the form of the copy thereof referred to in such notice as on file with the Reserve Fund Trustee, thereupon, but not otherwise, the Reserve Fund Trustee may accept such Supplement in substantially such form, without liability or responsibility to any Holder of any Bond, whether or not such Holder shall have consented thereto.

(d) Any such consent shall be binding upon the Holder of the Bond giving such consent and upon any subsequent Holder of such Bond and of any Bond issued in exchange therefor (whether or not such subsequent Holder thereof has notice thereof), unless such consent is revoked in writing by the Holder of such Bond

giving such consent or by a subsequent Holder thereof by filing with the Reserve Fund Trustee, prior to the acceptance by the Reserve Fund Trustee of such Supplement, such revocation. At any time after the Holders of the required principal amount or number of Bonds shall have filed their consents to the Supplement, the Reserve Fund Trustee shall make and file with the Authority a written statement to that effect. Such written statement shall be conclusive that such consents have been so filed.

(e) If the Holders of the required principal amount or number of the Bonds Outstanding shall have consented to and approved the acceptance of such Supplement as provided in the Reserve Fund Resolution, no Holder of any Bond shall have any right to object to the acceptance thereof, or 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 acceptance thereof, or to enjoin or restrain the Reserve Fund Trustee or the Authority from executing the same or from taking any action pursuant to the provisions thereof.

(f) Supplements pursuant to Section 5.02 of the Reserve Fund Resolution shall not become effective unless each Credit Enhancer has consented to such Supplement. (Section 5.02)

CERTAIN PROVISIONS OF THE ORIGINAL INDENTURE

In consideration of the factors stated in the Bond Indenture, the Authority has executed the Bond Indenture and grants a security interest in, releases, assigns, transfers, pledges and grants and conveys unto the Bond Trustee and its successors and assigns forever with power of sale the following described property:

(a) All rights and interests of the Authority in, under and pursuant to the Agreement, including, but not limited to, the Notes and the present and continuing right (i) to make claim for, collect or cause to be collected, receive or cause to be received all revenues, receipts and other sums of money payable or receivable thereunder, (ii) to bring acts and proceedings thereunder or for the enforcement thereof and (iii) to do any and all things which the Authority is or may become entitled to do under the Agreement; provided that the assignment described by this clause shall not include the rights of the Authority to exercise powers under Sections 2075 or 2076 of the Act, any assignment of any obligation of the Authority under the Agreement or any right of the Authority thereunder to grant approvals, consents or waivers, to receive notices, or for indemnification or reimbursement of costs and expenses.

(b) The right and title of the Authority in the real property and interests therein constituting a part of each Facility (as defined in each Agreement), together with all buildings, structures, improvements, and related facilities now or hereafter located thereon, together with the tenements, hereditaments, servitudes, appurtenances, rights, privileges and immunities thereunto belonging or appertaining which may from time to time be subject to the mortgages on each Facility to the extent such interest has been granted by an Institution to the Authority pursuant to an Agreement.

(c) The right and title of the Authority in the Equipment (as defined in each Agreement), now or hereafter owned, constituting a part of each Facility, any of which may from time to time be subject to the security interests in the Equipment to the extent such interest has been granted by an Institution to the Authority pursuant to an Agreement.

(d) The right and title of the Authority in the Gross Receipts (as defined in each Agreement) of each Institution, now or hereafter received, any of which may from time to time be subject to the security interests in the Gross Receipts to the extent such interest has been granted by an Institution to the Authority pursuant to an Agreement.

(e) Pledged Revenues and amounts on deposit from time to time in the Funds and Accounts created pursuant to the Bond Indenture, including the earnings thereon, subject to the provisions of the Bond Indenture permitting the application thereof for the purpose and on the terms and conditions set forth therein; provided, however, that there is expressly excluded from any pledge, assignment, lien or security interest created by the Bond Indenture the rights of the Authority to exercise powers under Sections 2075 or 2076 of the Act, and any amount set apart and transferred to the Rebate Fund.

(f) Any and all other real or personal property of any kind specifically conveyed from time to time by delivery or by writing, pledged, assigned or transferred, as and for additional security for the Bonds, by the Authority or by anyone in its behalf or with its written consent, or by the Institution, in favor of the Bond Trustee, which is authorized to receive any and all such property at any and all times and to hold and apply the same subject to the terms of the Bond Indenture.

(g) Amounts on deposit from time to time in the Reserve Fund and in the General Fund created pursuant to the Reserve Fund Resolution, including the earnings thereon, subject to the provisions of the Reserve Fund Resolution permitting the application thereof for the purpose and on the terms and conditions set forth therein, and the rights of the Reserve Fund Trustee designated therein and the parity rights of the holders of all bonds, including but not limited to the Bonds, secured by the Reserve Fund; provided, however, that there is expressly excluded from any pledge, assignment, lien or security interest created by the Reserve Fund Resolution or the Bond Indenture, the rights of the Authority to exercise powers under Sections 2075 or 2076 of the Act, and in no event shall any Holders of Bonds or the Bond Trustee be permitted to exercise any powers under Sections 2075 or 2076 of the Act. (Granting Clauses)

All Bonds Equally and Ratably Secured; Bonds Not General Obligations of the Authority. All Bonds issued under the Bond Indenture and at any time Outstanding shall in all respects be equally and ratably secured thereby, without preference, priority, or distinction on account of the date or dates or the actual time or times of the issuance or maturity of the Bonds, so that all Bonds at any time issued and Outstanding under the Bond Indenture shall have the same right, lien, and preference thereunder, and shall all be equally and ratably secured thereby. The Bonds are special obligations of the Authority payable solely from and secured by a pledge of Pledged Revenues and funds provided therefor under the Bond Indenture. Neither the State nor any political subdivision thereof shall be obligated to pay the principal of or interest on the Bonds, other than from Pledged Revenues, and neither the faith and credit nor the taxing power of the State or of any political subdivision thereof is pledged to the payment of the principal of or interest on the Bonds. (Section 1.03)

Authorization and Terms of Bonds

Additional Bonds. One or more series of Additional Bonds may be authenticated and delivered by the Authenticating Agent upon original issuance from time to time pursuant to the Bond Indenture (i) to complete or make additions or improvements to any Project for any Institution, (ii) to provide extensions, additions, improvements or repairs to any Project or any Facility for any Institution, (iii) to refund any or all Outstanding Bonds issued under the Bond Indenture or (iv) to provide additional funds for the Reserve Fund created under the Reserve Fund Resolution. The proceeds of any Additional Bonds shall be applied as provided in the Supplement authorizing such Additional Bonds.

(a) The Authority shall not issue any Additional Bonds under the Bond Indenture unless at or prior to the delivery to the Authenticating Agent of an order from the Authority to authenticate and deliver such Additional Bonds there shall be filed with the Bond Trustee (in addition to all other documents required by the Bond Indenture or the related Supplement): (1) a certificate of an Authority Representative, stating that the Authority is in compliance with the provisions of the Reserve Fund Resolution and is not then in default on any Bonds Outstanding or in the performance of any of the covenants, conditions, agreements or provisions contained in the Bond Indenture or the Agreement; (2) a certificate of an Institution Representative for each Institution then participating in the issuance of the Additional Bonds, stating that the Institution is not then in default in the performance of any of the covenants, conditions, agreements or provisions contained in the Agreement, if any; and (3) evidence satisfactory to the Bond Trustee that, after giving effect to the issuance of the Additional Bonds and the application of the proceeds thereof and other moneys in accordance with the Supplement to the Bond Indenture and the Reserve Fund Resolution, the Reserve Fund Value shall be at least equal to the Reserve Fund Requirement, as provided in the Reserve Fund Resolution.

(b) The Authority shall not issue any Additional Bonds on behalf of an Institution that has any Notes then Outstanding, for the purposes described in clauses (i) or (ii) of the first paragraph above, unless at or prior to the delivery of such Additional Bonds there shall be filed with the Authority and the Bond Trustee, in addition to the certificates required by subsection (a) above, evidence that the conditions precedent to the incurrence of Alternate Debt set forth in the applicable Agreement shall have been satisfied.

(c) The Authority may issue and the Authenticating Agent may authenticate and deliver one or more Series of refunding bonds as Additional Bonds to refund one or more Series, or portions of series, of Outstanding Bonds issued by the Authority; provided the Authority shall not issue and the Authenticating Agent shall not authenticate and deliver refunding bonds as Additional Bonds to refund less than all Outstanding Bonds unless the requirements of subsection (b) above have been satisfied.

(d) Prior to the issuance of any Additional Bonds on behalf of an Institution that has any Notes then Outstanding, the Authority and such Institution shall enter into an amendment to such Institution's Agreement or a supplemental or additional Agreement which shall provide, among other things, that the Institution shall deliver a supplemental Note or a replacement Note, that the Institution shall comply with any and all payment obligations with respect to the Reserve Fund as set forth in the Agreement, and that the payments under the Agreement shall be increased and computed so as to amortize in full the principal of and interest on such Additional Bonds and any other costs in connection therewith. An executed counterpart of such amendment to such Agreement or supplemental or additional Agreement shall be delivered to the Bond Trustee prior to the authentication and delivery of such Additional Bonds by the Authenticating Agent. Nothing contained in the Bond Indenture shall be construed as prohibiting the

Authority from issuing refunding bonds as other than Additional Bonds pursuant to its corporate powers under a separate resolution or indenture for the purpose of refunding all or a portion of the Outstanding Bonds without complying with the conditions contained in subsection (c) above. (Section 2.13)

Revenue and Funds

Flow of Funds. The Bond Trustee shall bill each Institution on a monthly basis for Note Payments and for installments of the Authority's Annual Administrative Fee. The Annual Administrative Fee, and the Bond Trustee's fees and expenses, shall be billed in accordance with the Agreement, shall upon receipt be deposited into the Expense Fund, and the installments of the Annual Administrative Fee received by the Bond Trustee from or on behalf of an Institution shall be free and clear of the lien of the Bond Indenture and shall be deposited into the Expense Fund and therefrom shall be remitted by the Bond Trustee to the Authority, for application by the Authority to any purpose permitted by law. So long as any Bonds are Outstanding in each Bond Year, Note Payments received by the Bond Trustee shall be applied in the following manner and order of priority:

(a) On or before the last day of each month to the Interest Account the amount, if any, necessary to cause the amount then being credited to the Interest Account, together with investment earnings, to be not less than one-sixth of the amount of interest to be paid on Outstanding Bonds on the next Bond Payment Date. Moneys in the Interest Account shall be used to pay interest on Bonds as it becomes due.

(b) On or before the last day of each month, commencing on the last day of July during each Bond Year ending on a date on which Serial Bonds mature to the Principal Account the amount necessary to cause the amount then being credited to the Principal Account, together with investment earnings, to be not less than one-twelfth of the principal amount of Serial Bonds Outstanding which will mature on the last day of such Bond Year. Moneys in the Principal Account shall be used to retire Serial Bonds by payment at their scheduled maturity.

(c) On or before the last day of each month, commencing on the last day of July each Bond Year ending on a date which is a Sinking Fund Account Retirement Date, to the Sinking Fund Account the amount necessary to cause the amount credited to the Sinking Fund Account, together with investment earnings, to be not less than one-twelfth of the unsatisfied Sinking Fund Account Requirements to be satisfied on or before the last day of such Bond Year. Moneys in the Sinking Fund Account shall be used to retire Term Bonds by purchase, by mandatory redemption or by payment at their schedule maturity.

(d) If on the 26th day of any month, or at any other time when moneys in the Principal Account or Sinking Fund Account and Interest Account of the Bond Fund are insufficient or are anticipated to be insufficient to pay principal of or interest on Bonds when due, the Bond Trustee shall promptly so notify the Authority, and request that the Authority make provisions to remedy such deficiency or otherwise request that the Authority (i) notify the Reserve Fund Trustee of such deficiency and (ii) direct the Reserve Fund Trustee to provide to the Bond Trustee moneys from the Reserve Fund to augment payments due for principal of or interest on the Bonds, in accordance with the Reserve Fund Resolution. The Authority covenants that, upon the occurrence of any such deficiency for which the Authority has received notice from the Bond Trustee, the Authority shall promptly notify the Reserve Fund Trustee thereof and direct the Reserve Fund Trustee to transfer money from the Reserve Fund to the Bond Trustee in an amount sufficient to replenish such deficiency unless the Authority shall have otherwise elected to utilize promptly other available money to replenish such deficiency and shall have provided such other available money to the Bond Trustee.

(e) If the Institution makes an optional prepayment of any installment on its Notes, the amount so paid shall be credited to the Redemption Account and applied promptly by the Bond Trustee, first, to cause the amounts credited to the Interest Account, the Principal Account or the Sinking Fund Account of the Bond Fund, or the Reserve Fund, in that order, to be not less than the amounts then required to be credited thereto and, then to retire Bonds by purchase, redemption or both purchase and redemption in accordance with the Institution's directions. Any such redemption shall be of Bonds then subject to optional redemption at the Redemption Price then applicable for optional redemption of such Bonds.

The principal amount of any Term Bonds of a Series so purchased or redeemed shall be credited against the unsatisfied balance of the Institution's Allocable Share of Sinking Fund Account Requirements for such Series and maturity in order of Sinking Fund Account Retirement Dates.

Upon receipt by the Bond Trustee of moneys accompanied by a certificate of an Institution Representative stating that such moneys are insurance proceeds paid with respect to casualty losses, or condemnation awards, with respect to a Facility, and a certificate of an Authority Representative stating that such moneys are to be applied to redeem Bonds in accordance with the Bond Indenture and specifying the amount, Series and maturities of Bonds to be redeemed, the Bond Trustee shall credit such moneys to the Redemption Account and shall apply such moneys to redeem Bonds in accordance with such certificates and the Bond Indenture.

Any balance remaining in the Redemption Account after the purchase or redemption of Bonds in accordance with the Institution's directions, or in any event on the day following the Bond Payment Date next succeeding the prepayment by the Institution, shall be transferred to the Interest Account, the Principal Account or Sinking Fund Account, as directed by the Authority.

(f) Notwithstanding anything in the Bond Indenture to the contrary, in the event that any money is deposited into any Fund or Account under the Bond Indenture, inadvertently or otherwise, that is not required or necessary to be deposited therein pursuant to the terms of the Bond Indenture, or that is not necessary for the redemption of Bonds that have been called for redemption, such money shall be transferred by the Bond Trustee, at the direction of the Authority, to any other Fund or Account created under the Bond Indenture or under the Reserve Fund Resolution or to any other Person, including, but not limited to, the Authority, an Institution, the Reserve Fund Trustee, the State of Maine or the United States. (Section 5.03)

Investment of Moneys Held by the Bond Trustee. (a) (i) Moneys in all Funds and Accounts held by the Bond Trustee shall be invested by the Bond Trustee, as soon as possible upon receipt in Permitted Investments as directed in writing by an Institution, with respect to its Account(s) within the Construction Fund or the Renewal Fund, and by the Authority, with respect to all other Funds and Accounts, including the Account(s) within the Construction Fund established to pay costs of issuance, or in the absence of a specific direction by the Authority or an Institution, in accordance with a standing general direction, subject to the following; provided however that the amounts on deposit in the Interest Account representing Capitalized Interest may be invested only in Government Obligations. The maturity date or the date on which such Permitted Investments may be redeemed at the option of the holder thereof shall coincide as nearly as practicable with (but in no event shall be later than) the date or dates in which moneys in the Funds or Accounts for which the investments were made will be required for the purposes thereof.

(ii) For purposes of the paragraph above, moneys in the Funds or Accounts held by the Bond Trustee shall be invested in Permitted Investments maturing or redeemable at the option of the Bond Trustee not later or no less frequently than the respective following dates or periods of time: (A) Principal Account and Sinking Fund Account, the day preceding the last day of each Bond Year; (B) Interest Account, the day preceding the next Bond Payment Date; and (C) Redemption Account, the day preceding the next date on which Bonds are to be redeemed or are expected to be purchased.

(b) Amounts credited to a Fund or Account may be invested, together with amounts credited to one or more other Funds or Accounts, in the same Permitted Investment, provided that (i) each such investment complies in all respects with the provisions of subsection (a) above as they apply to each Fund or Account for which the joint investment is made and (ii) the Bond Trustee maintains separate records for each Fund and Account and such investments are accurately reflected therein.

(c) The Bond Trustee may make any investment permitted by this section, through or with its own commercial banking or investment departments unless otherwise directed by the Authority or an Institution as provided above.

(d) The Bond Trustee shall sell at the best price obtainable, or present for redemption, any Permitted Investment purchased by it as an investment whenever it shall be necessary in order to provide moneys to meet any payment or transfer from the Fund or Account for which such investment was made.

(e) Neither the Bond Trustee nor the Authority shall knowingly use or direct or permit the use of any moneys of the Authority in its possession or control in any manner which would cause any Bond to be an "arbitrage bond" within the meaning ascribed to such term in Section 148 of the Code, or any successor section of the Code.

(f) Notwithstanding any provision of the Bond Indenture, the Authority and the Bond Trustee shall observe the covenants and agreements contained in the Tax Regulatory Agreements, to the extent that and for so long as such covenants and agreements are required by law. (Section 5.05)

Investment Income; Earnings Fund. All investment income or interest earnings on all Funds and Accounts shall be credited by ledger entry (or actually deposited if so directed by an Institution as to its allocable share of earnings, in a written notice delivered to the Authority and the Bond Trustee) upon receipt by the Bond Trustee to the Earnings Fund. The Bond Trustee shall also keep an account of all investment income or interest earnings on the Reserve Fund and the General Fund by ledger entry credit to the Earnings Fund, but only upon receipt by the Bond Trustee from the Reserve Fund Trustee or the Authority of information related to such income or earnings. The Bond Trustee shall keep accounts of all amounts credited by ledger entry (or actually deposited if so directed by an Institution as to its allocable share of earnings, in a written notice delivered by the Institution to the Authority and the Bond Trustee) into the Earnings Fund to indicate the Fund or Account (including the Reserve Fund and the General Fund) source of the income or earnings. The Bond Trustee shall bill each Institution that amount as is set forth as such Institution's Rebate Amount (as defined in the applicable Tax Regulatory Agreement) in a written certificate delivered by the applicable Institution to the Bond Trustee pursuant to the applicable Tax Regulatory Agreement, and upon receipt from the applicable Institution deposit such amount in the Rebate Fund as described in the applicable Tax Regulatory Agreement. Such certificate shall be delivered by the Institution not less frequently than every Computation Date (as defined in the applicable Tax Regulatory Agreement); provided, that the Institution, at its option, may file such certificate more frequently. All actual investment income and interest earnings, if merely credited to the Earnings Fund by ledger entry, will be dealt with as follows. Except as otherwise provided in the Bond Indenture, interest income and gain received, or loss realized, from investments of moneys in any Fund or Account shall be credited, or charged, as the case may be, to such respective Fund or Account. All income and gain from investment of the Interest Account shall be transferred to the Account or Accounts within the Construction Fund (as may be directed by the Authority) prior to the completion of a Project, and thereafter, unless otherwise directed by the Authority, shall be retained in the Interest Account and credited (as may be directed by the Authority) against the interest component of the next forthcoming Note Payment. Income and gain from Redemption Account investments may be transferred to any other Fund or Account upon direction of the Authority. Investment income credited to either the Interest Account, the Principal Account or the Sinking Fund Account shall be transferred thereto unless otherwise directed by the Authority, and shall be a credit (as may be directed by the Authority) against the next forthcoming Note Payment to be deposited to such respective Account. (Section 5.07)

Rebate Fund. (a) The Rebate Fund and the amounts deposited therein shall not be subject to a security interest, pledge, assignment, lien or charge in favor of the Bond Trustee or any owner of a Bond, but shall be held by the Bond Trustee as trustee for the benefit of the United States. For purposes of this section only, the term Bond Year shall have the meaning set forth in the applicable Tax Regulatory Agreement.

(b) The Bond Trustee, upon the receipt of a certification of the Rebate Amount from an Institution Representative, shall deposit in the Institution's Account within the Rebate Fund an amount such that the amount held in the Rebate Fund after such deposit is equal to the Rebate Amount (for the applicable Institution) calculated as of the Computation Date (as defined in the applicable Tax Regulatory Agreement) in accordance with the applicable Tax Regulatory Agreement. If there has been delivered to the Bond Trustee a certification of the Rebate Amount in conjunction with the completion of a Project or the restoration of a Project from the Renewal Fund, at any time during a Bond Year the Bond Trustee shall deposit in the applicable Institution's Account within the Rebate Fund at that time an amount such that the amount held in the Rebate Fund after such deposit is equal to the Rebate Amount (for the applicable Institution), calculated at the completion of the applicable Project or of the restoration of the applicable Project as aforesaid. The amount deposited in the Rebate Fund pursuant to the previous sentences shall be withdrawn from the Earnings Fund to the extent moneys are available.

(c) In the event that on the first day of any Bond Year the amount on deposit in an Institution's Account within the Rebate Fund exceeds the Rebate Amount (for the applicable Institution), the Bond Trustee, upon

the receipt of written instructions from an Institution Representative for the applicable Institution specifying the amount of the excess, shall withdraw such excess amount and deposit it in the Construction Fund prior to the completion of the applicable Project, or, after the completion of the applicable Project, deposit it in the Redemption Account of the Bond Fund.

(d) The Bond Trustee, upon the receipt of written instructions from an Institution Representative for the applicable Institution and an aggregate report from the Authority, with respect to each payment to be made to the United States pursuant to such instructions in accordance with the applicable Tax Regulatory Agreement setting forth the amount of such payment, shall pay to the United States, out of amounts in the Rebate Fund, (i) not less frequently than once each five (5) Bond Years, an amount such that, together with prior amounts paid to the United States, the total paid to the United States is equal to ninety percent (90%) of the Rebate Amount with respect to the Bonds as of the date of such payment and (ii) notwithstanding the provisions of the Bond Indenture, not later than sixty (60) days after the date on which all Bonds have been paid in full, all of the Rebate Amount as of the date of payment.

(e) Notwithstanding any provisions of the Bond Indenture, the obligation to remit the Rebate Amount to the United States and to comply with all other requirements described by this section and of any Tax Regulatory Agreement shall survive the defeasance or payment in full of the Bonds, to the extent that and for so long as such covenants and agreements are required by law.

(f) The Bond Trustee shall be deemed conclusively to have complied with the provisions of this section if it makes payments in accordance with the certifications and written directions of the Institutions provided in accordance with this section. The Bond Trustee shall not be required to take any actions required under this section in the absence of such certifications of the Institutions, except as required by the Bond Indenture. (Section 5.08)

Renewal Fund. The net proceeds of insurance with respect to casualty losses or of condemnation awards related to a Project shall be deposited into the Renewal Fund or into the Redemption Account of the Bond Fund, at the option of the applicable Institution. The Bond Trustee shall promptly notify the Authority of any deposit into the Renewal Fund. Any deposit into the Renewal Fund shall be to an Account therein designated for the applicable Institution with respect to whose Facility the casualty loss or condemnation award has occurred. Amounts on deposit in the Renewal Fund shall be subject to the applicable Tax Regulatory Agreement, but otherwise may be requisitioned by such Institution for any of its corporate purposes, after making any transfer to the Rebate Fund as required by the applicable Tax Regulatory Agreement. If amounts deposited into the Renewal Fund with respect to any particular Institution have been on deposit therein for a period of twenty-four (24) months without substantial steps being taken to repair, rebuild or replace such Institution's Facility, as determined by the Authority, such amounts shall be transferred to the Redemption Account for application to the optional redemption of Bonds pursuant to the optional redemption provisions for a Series of Bonds, as directed by the Authority, unless such Institution shall have delivered a certificate satisfactory to the Authority and the Bond Trustee evidencing the plans of such Institution to repair, rebuild or replace such Facility in due course. (Section 5.09)

Defaults and Remedies

Bond Indenture Events of Default. Each of the following is declared a "Bond Indenture Event of Default" under the Bond Indenture:

(a) If payment (for purposes of this clause, payment shall not include any payment made by any Bond Insurer pursuant to any Bond Insurance Policy) by the Authority in respect of any installment of interest on any Bond shall not be made in full when the same becomes due and payable (other than as a result of a Bond Indenture Event of Default described in clause (f) or (g) below);

(b) If payment (for purposes of this clause, payment shall not include any payment made by any Bond Insurer pursuant to any Bond Insurance Policy) by the Authority in respect of the principal of or redemption premium, if any, on any Bond shall not be made in full when the same becomes due and payable, whether at maturity or by proceedings for redemption or by declaration of acceleration or otherwise (other than as a result of a Bond Indenture Event of Default described in clause (f) or (g) below);

(c) The Authority shall fail duly to observe or perform any covenant or agreement on its part under the Bond Indenture for a period of thirty (30) days after the date on which written notice of such failure, requiring the same to be remedied, shall have been given to the Authority by the Bond Trustee or any Bond Insurer, or to the Authority and the Bond Trustee by the Holders of at least two-thirds in aggregate principal amount of Bonds then Outstanding or by any Bond Insurer. If the breach of covenant or agreement is one which cannot be completely remedied within the thirty (30) days after written notice has been given, it shall not be a Bond Indenture Event of Default as long as (i) the Authority has taken active steps within the thirty (30) days after written notice has been given to remedy the failure and is diligently pursuing such remedy and, (ii) such failure is remedied within sixty (60) days after written notice has been given (or the Bond Insurer has consented in writing to a longer grace period);

(d) The entry of a decree or order by a court having jurisdiction in the premises adjudging the Authority a bankrupt or insolvent, or approving as properly filed a petition seeking reorganization, arrangement, adjustment or composition of or in respect of the Authority under the Federal Bankruptcy Code or any other applicable Federal or state law, or appointing a receiver, liquidator, assignee, or sequestrator (or other similar official) of the Authority or of any substantial part of its property, or ordering the winding up or liquidation of its affairs, and the continuance of any such decree or order unstayed and in effect for a period of ninety (90) consecutive days;

(e) The commencement by the Authority of proceedings to be adjudicated a bankrupt or insolvent, or the consent by it to the commencement of bankruptcy or insolvency proceedings against it, or the filing by it of a petition or answer or consent seeking reorganization or relief under the Federal Bankruptcy Code or any other similar applicable Federal or state law, or the consent by it to the filing of any such petition or to the appointment of a receiver, liquidator, assignee, trustee or sequestrator (or other similar official) of the Authority or of any substantial part of its property, or the making by it of an assignment for the benefit of creditors, or the admission by it in writing of its inability to pay its debts generally as they become due;

(f) If there occurs an Agreement Event of Default pursuant to Section 6.01(a) of the Agreement and such Event of Default shall continue for two (2) days or if there occurs any other Agreement Event of Default; and

(g) If as a result of the failure of an Institution to make payments under an Agreement, there is a deficiency in the Reserve Fund below the Reserve Fund Requirement, and thereafter the Authority shall fail or refuse to comply with the provisions of the Reserve Fund Resolution or of Section 2075(1)(C) of the Act, or if such amounts as shall be certified by the Executive Director of the Authority to the Governor of the State pursuant to such provisions of the Act shall not be appropriated and paid to the Authority for deposit with the Reserve Fund Trustee into the Reserve Fund in an amount sufficient to cause the amounts on deposit in the Reserve Fund to equal at least the Reserve Fund Requirement, prior to the end of the then current fiscal year of the State. (Section 7.01)

Acceleration; Annulment of Acceleration. (a) Upon the occurrence of a Bond Indenture Event of Default described under paragraphs (a), (b), (c), (d) or (e) in the previous section, then, without any further action, but only with the consent of the Bond Insurer of a Series of Bonds with respect to acceleration of the Series of Bonds insured by such Bond Insurer so long as it is not then in default of its payment obligations under the Bond Insurance Policy for such Series of Bonds, all Bonds Outstanding shall become and be immediately due and payable, anything in the Bonds or in the Bond Indenture to the contrary notwithstanding. If such Bond Indenture Event of Default shall be remedied prior to payment in full of all principal of, and interest on, all Bonds Outstanding, and each applicable Bond Insurer shall consent, then the acceleration described in the immediately preceding sentence shall be reversed, and the Bonds shall remain Outstanding as though no such Bond Indenture Event of Default had occurred. Upon the occurrence and during the continuation of a Bond Indenture Event of Default described under paragraphs (f) or (g) of the preceding section, the Authority, but only with the consent of the Bond Insurer of a Series of Bonds with respect to the acceleration of the Series of Bonds insured by such Bond Insurer so long as it is not then in default of its payment obligations under the Bond Insurance Policy for such Series of Bonds, shall have the right and power to direct the Bond Trustee to accelerate either all or a portion of the Bonds then Outstanding and, to declare that all or a portion of the Bonds Outstanding shall become and be immediately due and payable, anything in the Bonds or in the Bond Indenture to the contrary notwithstanding. If the Bond Indenture Event of Default described under paragraphs (f) or (g) of the preceding section has resulted from the failure of one or more, but less than all, of the Institutions to make Note Payments when due, then the Authority, but only with the consent of the Bond Insurer for a Series of Bonds with respect to the acceleration of such Series of Bonds so long as it is not then in default of its payment obligations under

the Bond Insurance Policy for such Series of Bonds, shall have the right and power to direct the Bond Trustee to accelerate all or a portion of the Bonds allocable to the Institution or Institutions as to which such Agreement Event of Default has arisen. In the event of any such allocable partial acceleration, Bonds to be accelerated shall be in a principal amount equal as nearly as possible to the defaulting Institution's Allocable Share of all of the Bonds, rounded as directed by the Authority, unless otherwise determined in writing by the Authority to the Bond Trustee, and the Bonds to be so accelerated shall be selected by the Authority from each Series and maturity of Bonds in any manner determined by the Authority. It is the intention of the Authority that the default of any single Institution under such Institution's Agreement shall (i) not result in the acceleration of amounts due to the Authority under the Agreements of the non-defaulting Institutions, and (ii) permit the Authority to direct, in its sole discretion, (A) a partial acceleration of such defaulting Institution's Allocable Share of all of the Bonds (whether or not such partially accelerated Bonds can be repaid upon their acceleration), but only with the consent of the Bond Insurer for a Series of Bonds with respect to the acceleration of such Series of Bonds so long as such Bond Insurer is not then in default of its payment obligations under its Bond Insurance Policy for such Series of Bonds, (B) the continued payment of debt service on all Bonds Outstanding provided that sufficient funds therefor are available from whatever source, or (C) the exercise of any other remedy or remedies, if any, available by law or under the Bond Indenture as the Authority determines, in its sole discretion, to be appropriate under the circumstances.

In the event of any such full or partial acceleration of Bonds, there shall be due and payable on the Bonds so declared due and payable an amount equal to the total principal amount of all such Bonds so declared due and payable, plus all interest accrued thereon and which accrues to the date of payment. The Bond Trustee shall give written notice of such full or partial acceleration to the Authority, the Registrar, and the Institutions, and the Bond Trustee shall give notice to the Bondholders in the same manner as for a notice of redemption under Article III of the Bond Indenture stating the accelerated date on which the Notes and the Bonds shall be due and payable.

(b) At any time after the principal of any of the Notes and the Bonds shall have been so declared to be due and payable, if the declaration that the Notes are immediately due and payable is annulled, the declaration that the Bonds are immediately due and payable shall also, without further action, be annulled and the Bond Trustee shall promptly give notice of such annulment in the same manner as described by subsection (a) above for giving notice of acceleration. No such annulment shall extend to or affect any subsequent Bond Indenture Event of Default or impair any right consequent thereon.

(c) Anything in the Bond Indenture to the contrary notwithstanding, upon the occurrence and continuance of a Bond Indenture Event of Default under Section 7.01(a), (b), (c), (d) or (e) of the Bond Indenture, the Bond Trustee, at the direction of the Bond Insurer for a Series of Bonds so long as such Bond Insurer is not in default of its payment obligations under the Bond Insurance Policy for such Series of Bonds, or at the direction of the Holders of at least two-thirds in aggregate principal amount of Bonds Outstanding (but only with the consent of the Bond Insurer for a Series of Bonds so long as such Bond Insurer is not in default of its payment obligations under the Bond Insurance Policy for such Series of Bonds), shall have the right and power to direct, and control the exercise of, any remedies available under the Bond Indenture, under the Reserve Fund Resolution and under the Agreements that relate to the Series of Bonds, as if such Bond Insurer were the sole Holder of all of such Series of Bonds, so long as such Bond Insurer is not then in default of its payment obligations under the Bond Insurance Policy for such Series of Bonds.

In the event the maturity of the Bonds of a Series is accelerated, the Bond Insurer for such Series of Bonds may elect, in its sole discretion, to pay accelerated principal and interest accrued or accreted, as applicable, on such principal to the date of acceleration and the Bond Trustee shall be required to accept such amounts. Upon payment of such accelerated principal and interest accrued to the acceleration date as provided above, the Bond Insurer's obligations under the Bond Insurance Policy for such Series of Bonds shall be fully discharged. (Section 7.02)

Additional Remedies and Enforcement of Remedies. (a) Upon the occurrence and continuance of any Bond Indenture Event of Default, the Bond Trustee may, or upon the written request of the Holders of not less than two-thirds in an aggregate principal amount of the Bonds Outstanding (for purposes of this section the Bond Insurer for a Series of Bonds shall be deemed the sole Holder of all of the Bonds Outstanding of such Series so long as such Bond Insurer is not then in default of its payment obligations under the Bond Insurance Policy for such Series of Bonds), together with indemnification of the Bond Trustee to its satisfaction therefor, shall, proceed forthwith to

protect and enforce its rights and the rights of the Bondholders and the Bond Insurer under the Bond Indenture and under the Act and the Bonds by such suits, actions or proceedings as the Bond Trustee, being advised by counsel, shall deem expedient, including but not limited to: (i) civil action to recover money or damages due and owing; (ii) civil action to enjoin any acts or things, which may be unlawful or in violation of the rights of the Holders of Bonds; (iii) enforcement of any other right of the Bondholders conferred by law or by the Bond Indenture; (iv) enforcement of any other right conferred upon the Authority by the Agreements; and (v) if a Bond Indenture Event of Default has occurred and is continuing under Section 7.01(a) or (b) of the Bond Indenture, enforcement of any right or duty of the Authority set forth in the Reserve Fund Resolution.

(b) Regardless of the happening of a Bond Indenture Event of Default, the Bond Trustee, if requested in writing by the Holders of not less than two-thirds in aggregate principal amount of the Bonds then Outstanding (for purposes of this section the Bond Insurer for a Series of Bonds shall be deemed the Holder of all of the Bonds Outstanding of such Series so long as such Bond Insurer is not then in default of its payment obligations under the Bond Insurance Policy for such Series of Bonds), shall upon being indemnified to its satisfaction therefor, institute and maintain such suits and proceedings as it may be advised by counsel shall be necessary or expedient (i) to prevent any impairment of the security under the Bond Indenture by any acts which may be unlawful or in violation of the Bond Indenture, or (ii) to preserve or protect the interests of the Holders, provided that such request is in accordance with law. (Section 7.04)

Application of Revenues and Other Moneys After Default. During the continuance of a Bond Indenture Event of Default all moneys received by the Bond Trustee pursuant to any right given or action taken under the provisions of the Bond Indenture shall, after payment of the reasonable costs and expenses of the proceedings which result in the collection of such moneys and of the reasonable fees, expenses and advances incurred or made by the Bond Trustee and the Authority with respect thereto, be deposited in the Bond Fund, and all amounts held by the Bond Trustee under the Bond Indenture shall be applied as follows:

(a) Unless the principal of all Outstanding Bonds shall have become or have been declared due and payable:

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

Second: To the payment to the Persons entitled thereto of the unpaid principal amounts or Redemption Price of any Bonds which shall have become due (other than Bonds previously called for redemption for the payment of which moneys are held pursuant to the provisions of the Bond Indenture), whether at maturity or by call for redemption, in the order of their due dates, and if the amounts available shall not be sufficient to pay in full all the Bonds due on any date, then to the payment thereof ratably, according to the principal amounts or Redemption Price due on such date, to the Persons entitled thereto, without any discrimination or preference.

(b) If the principal amounts of all Outstanding Bonds shall have become or have been declared due and payable, to the payment of the principal amounts and interest then due and unpaid upon the Bonds without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably, according to the amounts due respectively for principal amounts and interest, to the Persons entitled thereto without any discrimination or preference.

(c) If the principal amounts of all Outstanding Bonds shall have been declared due and payable, and if such declaration shall thereafter have been rescinded and annulled under the provisions of the Bond Indenture, then, subject to the provisions of paragraph (b) above in the event

that the principal amounts of all Outstanding Bonds shall later become due or be declared due and payable, the moneys shall be applied in accordance with the provisions of paragraph (a) above.

Whenever moneys are to be applied by the Bond Trustee pursuant to 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, it shall fix the date (which shall be a Bond Payment Date unless it shall deem another date more suitable) upon which such application is to be made and upon such date interest on the principal amounts 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 shall not be required to make payment to the Holder of any Bond until such Bond shall be presented to the Bond Trustee for appropriate endorsement of any partial payment or for cancellation if fully paid.

Whenever all Bonds and interest thereon have been paid under the Bond Indenture and all expenses and charges of the Bond 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 Authority or as a court of competent jurisdiction may direct. (Section 7.05)

Bondholders' Control of Proceedings. If a Bond Indenture Event of Default shall have occurred and be continuing, notwithstanding anything in the Bond Indenture to the contrary, the Holders of a majority in aggregate principal amount of Bonds then Outstanding (for purposes of this section the Bond Insurer for a Series of Bonds shall be deemed the sole Holder of all of the Bonds Outstanding of such Series so long as such Bond Insurer is not then in default of its payment obligations under the Bond Insurance Policy for such Series of Bonds) shall have the right, at any time, by any instrument in writing executed, and delivered to the Bond Trustee to direct the method and place of conducting any proceeding to be taken in connection with the enforcement of the terms and conditions of the Bond Indenture, provided that such direction is in accordance with law and the provisions of the Bond Indenture (including indemnity to the Bond Trustee as provided in the Bond Indenture), and provided that nothing described by this section shall impair the right of the Bond Trustee in its discretion to take any other action under the Bond Indenture which it may deem proper and which is not inconsistent with such direction by Bondholders. (Section 7.08)

Individual Bondholder Action Restricted. (a) No Holder of any Bond shall have any right to institute any suit, action or proceeding in equity or at law for the enforcement of the Bond Indenture or for the execution of any trust thereunder or for any remedy thereunder unless:

(i) a Bond Indenture Event of Default has occurred (A) under subsection (a) or (b) of Section 7.01 thereof of which the Bond Trustee is deemed to have notice, or (B) under subsection (c), (d), (e), (f) or (g) of Section 7.01 thereof as to which the Bond Trustee has actual knowledge or as to which the Bond Trustee has been notified in writing;

(ii) the Holders of at least two-thirds in aggregate principal amount of Bonds Outstanding (for purposes of this section the Bond Insurer for a Series of Bonds shall be deemed the sole Holder of all of the Bonds Outstanding of such Series so long as such Bond Insurer is not then in default of its payment obligations under the Bond Insurance Policy for such Series of Bonds) shall have made written request to the Bond Trustee to proceed to exercise the powers granted in the Bond Indenture or to institute such action, suit or proceeding in its own name;

(iii) such Bondholders shall have offered the Bond Trustee indemnity as provided in the Bond Indenture;

(iv) the Bond Trustee shall have failed or refused to exercise the powers granted in the Bond Indenture or to institute such action, suit or proceedings in its own name for a period of sixty (60) days after receipt by it of such request and offer of indemnity; and

(v) during such sixty (60) day period no direction inconsistent with such written request shall have been delivered to the Bond Trustee by the Holders of a majority in aggregate principal amount of Bonds then Outstanding in accordance with the Bond Indenture.

(b) No one or more Holders of Bonds shall have any right in any manner whatsoever to affect, disturb or prejudice the security of the Bond Indenture or to enforce any right thereunder except in the manner therein provided and for the equal benefit of the Holders of all Bonds Outstanding.

(c) Nothing contained in the Bond Indenture shall affect or impair, or be construed to affect or impair, the right of the Holder of any Bond (i) to receive payment of the principal of or interest on such Bond on or after the due date thereof or (ii) to institute suit for the enforcement of any such payment on or after such due date; provided, however, no Holder of any Bond may institute or prosecute any such suit or enter judgment therein if, and to the extent that, the institution or prosecution of such suit or the entry of judgment therein would, under applicable law, result in the surrender, impairment, waiver or loss of the lien thereof on the moneys, funds and properties pledged thereunder for the equal and ratable benefit of all Holders of Bonds. (Section 7.09)

Notice of Default. (a) Promptly, but in any event within thirty (30) days after (i) the occurrence of a Bond Indenture Event of Default under Section 7.01(a) or (b) thereof, which the Bond Trustee is deemed to have notice, or (ii) receipt, in writing or otherwise, by the Bond Trustee of actual knowledge or notice of a Bond Indenture Event of Default under Section 7.01 (c), (d), (e), (f) or (g) thereof, the Bond Trustee shall, unless such Bond Indenture Event of Default shall have theretofore been cured, give written notice thereof by first class mail to each Holder of a Bond then Outstanding, provided that, except in the case of a default in the payment of principal amounts, Sinking Fund Installments, or the Redemption Price of or interest on any of the Bonds, the Bond Trustee may withhold such notice to such Holders if, in its sole judgment, it determines that the withholding of such notice is in the best interests of the Bondholders.

(b) The Bond Trustee shall immediately notify the Authority and each Bond Insurer of the occurrence of a Bond Indenture Event of Default under Section 7.01(a) or (b) thereof. The Bond Trustee shall, within five (5) Business Days after the Bond Trustee has received actual knowledge or notice, in writing or otherwise, of a Bond Indenture Event of Default under Section 7.01(c), (d), (e), (f) or (g) thereof, notify the Authority and each Bond Insurer thereof. (Section 7.12)

Limitation of the Authority's Liability. No agreements or provisions contained in the Bond Indenture nor any agreement, covenant or undertaking by the Authority contained in any document executed by the Authority in connection with any Project or the issuance, sale and delivery of the Bonds shall give rise to any pecuniary liability of the Authority or a charge against its general credit, or shall obligate the Authority financially in any way, except with respect to the Pledged Revenues and their application as provided in the Bond Indenture. No failure of the Authority to comply with any term, covenant or agreement in the Bond Indenture or in any document executed by the Authority in connection with the Project, shall subject the Authority to liability for any claim for damages, costs or other financial or pecuniary charge except to the extent that the same can be paid or recovered from the Pledged Revenues. Nothing in the Bond Indenture shall preclude a proper party in interest from seeking and obtaining, to the extent permitted by law, specific performance against the Authority for any failure to comply with any term, condition, covenant or agreement therein; provided, that no costs, expenses or other monetary relief shall be recoverable from the Authority except as may be payable from the Pledged Revenues. (Section 7.13)

The Bond Trustee

Removal and Resignation of the Bond Trustee. The Bond Trustee may resign at any time with notice to the Authority, each Bond Insurer, the Reserve Fund Trustee or the Institutions, or may be removed at any time by an instrument or instruments in writing signed by the Holders of not less than a majority of the principal amount of Bonds then Outstanding or by the Bond Insurers. Written notice of such resignation or removal shall be given to the Authority, each Bond Insurer and the Institutions and such resignation or removal shall only take effect upon the appointment and qualification of, and acceptance by, a successor Bond Trustee. In the event a successor Bond Trustee has not been appointed and qualified within sixty (60) days of the date notice of resignation is given, the Bond Trustee, the Authority, any Bond Insurer or the Institutions may apply to any court of competent jurisdiction

for the appointment of a successor Bond Trustee to act until such time as a successor is appointed as provided in the Bond Indenture.

In addition, the Bond Trustee may be removed at any time with or without cause, by a Supplement signed by the Authority so long as (i) no Agreement Event of Default or Bond Indenture Event of Default shall have occurred and be continuing and (ii) the Authority determines, in such Supplement, that the removal of the Bond Trustee shall not have an adverse effect upon the rights or interests of the Bondholders.

In the event of the resignation or removal of the Bond Trustee or in the event the Bond Trustee is dissolved or otherwise becomes incapable to act as the Bond Trustee, the Authority shall be entitled to appoint a successor Bond Trustee after consultation with the Institutions. In such event, the successor Bond Trustee shall cause notice to be mailed to the Holders of all Bonds then Outstanding in such manner deemed appropriate by the Authority.

Any corporation or association that succeeds to the corporate trust business of the Bond Trustee as a whole or substantially as a whole, whether by sale, merger, consolidation or otherwise, shall thereby become vested with all the property rights and powers of the Bond Trustee under the Bond Indenture, without any further act or conveyance.

If the Holders of a majority of the principal amount of Bonds then Outstanding object to the successor Bond Trustee so appointed by the Authority and if such Holders designate another Person qualified to act as the Bond Trustee, the Authority shall then appoint as the Bond Trustee the Person so designated by the Holders.

Each successor Bond Trustee, not later than ten (10) days after its assumption of the duties, shall mail a notice of such assumption to each Holder of a registered Bond. (Section 8.06)

Supplements

Supplements Not Requiring Consent of Bondholders. The Authority and the Bond Trustee may, without the consent of or notice to any of the Holders, enter into one or more Supplements for one or more of the following purposes (provided that no Supplement pursuant to clause (b) or (h) below shall be effective prior to the receipt of the written consent of the Bond Insurer, so long as such Bond Insurer is not then in default of its payment obligations under its Bond Insurance Policy):

(a) to cure any ambiguity or formal defect or omission in the Bond Indenture so long as such amendment is not inconsistent with the terns of the Bond Indenture;

(b) to correct or supplement any provision in the Bond Indenture which may be inconsistent with any other provision in the Bond Indenture, or to make any other provisions with respect to matters or questions arising thereunder which shall not materially adversely affect the interests of the Holders or of the Bond Insurer;

(c) To grant or confer upon the Holders any additional rights, remedies, powers or authority that may lawfully be granted or conferred upon them;

(d) To secure additional revenues or provide additional security or reserves for payment of the Bonds;

(e) To preserve the exemption of the interest income borne on the Bonds from Federal income taxes;

(f) To authorize the issuance of Additional Bonds under the Bond Indenture;

(g) To remove the Bond Trustee in accordance with the Bond Indenture;

(h) To address any regulatory changes, whether Federal or State, or any changes in the Code or the regulations or rulings under the Code, or any other significant changes in the health care industry; provided,

however, that prior to the effectiveness of any such Supplement, notice of the substance of such Supplement shall be given in writing by or on behalf of the Authority to any rating agency then rating the Outstanding Bonds, and such rating agency or agencies shall have indicated in writing that the ratings then in effect on the Bonds shall not be withdrawn or reduced as a result of such Supplement; and

(i) To make any amendments to the provisions of Section 6.08 of the Bond Indenture that are necessary or appropriate to reflect changes in secondary market disclosure regulations or secondary market disclosure industry standards applicable to the Bonds or similar types of securities. (Section 9.01)

Supplements Requiring Consent of Bondholders. (a) Other than Supplements referred to in the immediately preceding section and subject to the terms and provisions and limitations contained in the Bond Indenture and not otherwise, the Bond Insurer (so long as the Bond Insurer is not then in default of its payment obligations under its Bond Insurance Policy) and the Holders of not less than a majority in aggregate principal amount of the Bonds then Outstanding shall have the right, from time to time, anything contained in the Bond Indenture to the contrary notwithstanding, to consent to and approve the execution by the Authority and the Bond Trustee of such Supplements 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 therein; provided, however, no Supplement shall:

(i) extend the stated maturity of or time for paying interest on any Bond or reduce the principal amount of or the redemption premium or rate of interest payable on any Bond without the consent of the Holder of such Bond;

(ii) prefer or give a priority to any Bond over any other Bond without the consent of the Holder of each Bond then Outstanding not receiving such preference or priority; or

(iii) reduce the aggregate principal amount of Bonds then Outstanding the consent of the Holders of which is required to authorize such Supplement without the consent of the Holders of all Bonds then Outstanding.

(b) If at any time the Authority shall request the Bond Trustee to enter into a Supplement the Bond Trustee shall, upon being satisfactorily indemnified with respect to expenses, cause notice of the proposed execution of such Supplement to be mailed by first class mail, postage prepaid, to all Holders of Bonds then Outstanding at their addresses as they appear on the registration books provided for in the Bond Indenture. The Bond Trustee shall not, however, be subject to any liability to any Bondholder by reason of its failure to mail, or the failure of such Bondholder to receive such notice and any such failure shall not affect the validity of such Supplement when consented to and approved as described in this section. Such notice shall briefly set forth the nature of the proposed Supplement and shall state that copies thereof are on file at the office of the Bond Trustee for inspection by all Bondholders.

(c) If within such period, not exceeding three years, as shall be prescribed by the Institution, following the first publication of such notice, the Bond Trustee shall receive an instrument or instruments purporting to be executed by the Holders of not less than the aggregate principal amount or number of Bonds specified in subsection (a) above for the Supplement in question which instrument or instruments shall refer to the proposed Supplement described in such notice and shall specifically consent to and approve the execution thereof in substantially the form of the copy thereof referred to in such notice as on file with the Bond Trustee, thereupon, but not otherwise, the Bond Trustee may execute such Supplement in substantially such form, without liability or responsibility to any Holder of any Bond, whether or not such Holder shall have consented thereto.

(d) Any such consent shall be binding upon the Holder of the Bond giving such consent and upon any subsequent Holder of such Bond and of any Bond issued in exchange therefor (whether or not such subsequent Holder thereof has notice thereof), unless such consent is revoked in writing by the Holder of such Bond giving such consent or by a subsequent Holder thereof by filing with the Bond Trustee, prior to the execution by the Bond Trustee of such Supplement, such revocation. At any time after the Holders of the required principal amount or number of Bonds shall have filed their consents to the Supplement, the Bond Trustee shall make and file with the

Authority a written statement to that effect. Such written statement shall be conclusive that such consents have been so filed.

(e) If the Holders of the required principal amount or number of the Bonds Outstanding shall have consented to and approved the execution of such Supplement as provided in the Bond Indenture, no Holder of any Bond shall have any right to object to the execution thereof, or 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 9.02)

Amendments to Agreements not Requiring Consent of Bondholders. The Authority and the Bond Trustee may without the consent of or notice to any of the Holders, consent to and join in the execution and delivery of any amendment, change or modification of the Agreements as may be required (i) by the provisions of the Bond Indenture or of the Agreements; (ii) to cure any ambiguity or formal defect or omission therein so long as such amendment is not inconsistent with the terms thereof; (iii) to preserve the exemption of the interest borne on the Bonds from federal income taxes; or (iv) in connection with any other change therein as to which there is filed with the Bond Trustee and the Authority the prior written consent of the Bond Insurer (so long as the Bond Insurer is not then in default of its payment obligations under its Bond Insurance Policy), and an Opinion of Counsel stating that the proposed change will not adversely affect the interests of the Holders, and which in the opinion of the Bond Trustee will not adversely affect the interests of the Holders, the Bond Insurer or the Bond Trustee. (Section 9.04)

Amendments to Agreements Requiring Consent of Bondholders. (a) Except for amendments, changes or modifications to the Agreements referred to in the immediately preceding section, the Authority and the Bond Trustee may consent to and join in the execution and delivery of any amendment, change or modification to the Agreements only upon the consent of the Bond Insurer (so long as such Bond Insurer is not then in default of its payment obligations under its Bond Insurance Policy) and of not less than a majority in aggregate principal amount of Bonds then Outstanding as provided in the Bond Indenture, provided, however, no such amendment, change or modification may affect the obligation of the Institution to make payments under the Notes or reduce the amount of or extend the time for making such payments without the consent of the Holders of all Bonds then Outstanding.

(b) If at any time the Authority and the Institution shall request the consent of the Bond Trustee to any such amendment, change or modification to any Agreement the Bond Trustee shall, upon being satisfactorily indemnified with respect to expenses, cause notice of the proposed amendment, change or modification to be given in the same manner as provided in Section 9.02 of the Bond Indenture with respect to Supplements thereto. Such notice shall briefly set forth the nature of the proposed amendment, change or modification and shall state that copies thereof are on file at the office of the Bond Trustee for inspection by all Bondholders.

(c) If the consent to and approval of the execution of such amendment, change or modification is given by the Holders of not less than the aggregate principal amount or number of Bonds specified in subsection (a) above within the time and in the manner as provided by Section 9.02 of the Bond Indenture with respect to Supplements thereto, but not otherwise, such amendment, change or modification may be consented to, executed and delivered upon the terms and conditions and with like binding effect upon the Holders as provided in the Bond Indenture with respect to Supplements thereto. (Section 9.05)

Satisfaction and Discharge

Discharge. If payment of all principal of, premium, if any, and interest on the Bonds in accordance with their terms and as provided in the Bond Indenture is made, or is provided for, and if all other sums payable by the Authority thereunder shall be paid or provided for, then the liens, estates and security interests granted in the Bond Indenture shall cease. Thereupon, upon the request of the Authority, and upon receipt by the Bond Trustee of an Opinion of Counsel stating that all conditions precedent to the satisfaction and discharge of the lien of the Bond Indenture have been satisfied, the Bond Trustee shall execute and deliver proper instruments acknowledging such satisfaction and discharging the lien of the Bond Indenture and the Bond Trustee shall transfer all property held by it under the Bond Indenture, other than moneys or obligations held by the Bond Trustee for payment of amounts due or to become due on the Bonds, to the Authority, an Institution or such other Person as may be entitled thereto as their respective interests may appear. Such satisfaction and discharge shall be without prejudice to the rights of the Bond

Trustee thereafter to charge and be compensated or reimbursed for services rendered and expenditures incurred in connection with the Bond Indenture.

The Authority or any Institution may at any time surrender to the Bond Trustee for cancellation any Bonds previously authenticated and delivered which the Authority or such Institution may have acquired in any manner whatsoever and such Bond upon such surrender and cancellation shall be deemed to be paid and retired. (Section 10.01)

Providing for Payment of Bonds. Payment of all of the Bonds may be provided for by the deposit with the Bond Trustee of moneys or non-callable Government Obligations or Advance-Refunded Municipal Bonds, or any combination thereof. The moneys and the maturing principal and interest income on such non-callable Government Obligations or Advance-Refunded Municipal Bonds, if any, shall be sufficient to pay when due the principal or Redemption Price of and interest on such Bonds. The moneys, non-callable Government Obligations and Advance-Refunded Municipal Bonds shall be held by the Bond Trustee irrevocably in trust for the Holders of such Bonds solely for the purpose of paying the principal or Redemption Price of and interest on such Bonds as the same shall mature, come due or become payable upon prior redemption, and, if applicable, upon simultaneous direction, expressed to be irrevocable, to the Bond Trustee as to the dates upon which any such Bonds are to be redeemed prior to their respective maturities.

If payment of the Bonds is so provided for, the Bond Trustee shall mail a notice so stating to each Holder of a Bond.

In connection with any advance refunding or advance defeasance of a Series of Bonds, (i) there shall be delivered to the Bond Trustee a verification report of an Accountant as to the sufficiency of the escrow so established; (ii) any escrow agreement established in connection with such advance refunding or advance defeasance shall provide that no substitution of a defeasance obligation shall be permitted except with another eligible defeasance obligation and upon delivery of a new verification report; and (iii) there shall be delivered to the Authority, the Bond Trustee and the Bond Insurer, if any, for such Series of Bonds an Opinion of Bond Counsel to the effect that such Series of Bonds are no longer deemed "Outstanding" under the Bond Indenture.

Amounts paid by a Bond Insurer under a Bond Insurance Policy shall not be deemed paid for purposes of the Bond Indenture and shall continue to be due and owing until paid by the Authority or the Institutions in accordance with the Bond Indenture.

Bonds the payment of which has been provided for in accordance with the Bond Indenture shall no longer be deemed Outstanding thereunder or secured thereby. The obligation of the Authority in respect of such Bonds shall nevertheless continue but the Holders thereof shall thereafter be entitled to payment only from the moneys, Government Obligations or Advance-Refunded Municipal Bonds deposited with the Bond Trustee to provide for the payment of such Bonds.

No Bond may be so provided for if, as a result thereof or of any other action in connection with which the provision for payment of such Bond is made, the interest payable on any Bond is made subject to federal income taxes. The Bond Trustee may rely upon an Opinion of Bond Counsel (which opinion may be based upon a ruling or rulings of the Internal Revenue Service) to the effect that the provisions of this paragraph will not be breached by so providing for the payment of any Bonds. (Section 10.02)

CERTAIN PROVISIONS OF THE SUPPLEMENTAL INDENTURE

Revenues and Funds

Creation of Funds and Accounts. Upon the issuance of the Series 2025A Bonds, the Funds and Accounts created pursuant to Section 5.01 of the Original Indenture shall be utilized by the Bond Trustee for the proceeds of the Series 2025A Bonds and all other amounts related thereto. (Section 5.1)

Application of Bond Proceeds and Other Moneys. (a) All proceeds of the sale of the Series 2025A Bonds and all moneys provided by the Series 2025A Institutions in connection with the Series 2025A Bonds, shall be paid to the Bond Trustee or to the Reserve Fund Trustee against receipt therefor, at or prior to the delivery of the Series 2025A Bonds. Such funds shall be deposited by the Bond Trustee or by the Reserve Fund Trustee as directed by the Authority in accordance with its General Certificate delivered at or prior to the issuance of the Series 2025A Bonds.

(b) Any moneys provided by the Series 2025A Institutions subsequent to the delivery of the Series 2025A Bonds in accordance with Section 5.03 of the Agreement shall be deposited by the Bond Trustee into the Series 2025A Institutions' Accounts for such Series within the Construction Fund.

(c) Money in the Construction Fund shall be applied as provided in Sections 4.01 and 4.02 of the Original Indenture. Moneys representing capitalized interest shall be invested as part of the Construction Fund and shall be invested only in such instruments as are Permitted Investments for moneys in the Construction Fund. (Section 5.2)

Bond Insurance Policy for Series 2025A Bonds. (a) The following provisions shall apply to the Bond Insurance Policy issued with respect to the Series 2025A Bonds: If, on the third Business Day prior to a scheduled Bond Payment Date there is not on deposit with the Bond Trustee, after making all transfers and deposits required under the Bond Indenture, moneys sufficient to pay all principal of and interest on the Series 2025A Bonds due on such date, the Bond Trustee shall immediately give notice to the Bond Insurer by telephone or telecopy of the amount of such deficiency by 12:00 noon, New York City time, on such Business Day. If, on the second Business Day prior to the related Bond Payment Date, there continues to be a deficiency in the amount available to pay the principal of and interest on the Series 2025A Bonds due on such Bond Payment Date, the Bond Trustee shall make a claim under the Bond Insurance Policy and give notice to the Bond Insurer by telephone of the amount of such deficiency, and the allocation of such deficiency between the amount required to pay interest on the Series 2025A Bonds and the amount to pay principal of the Series 2025A Bonds, confirmed in writing to the Bond Insurer by 12:00 noon, New York City time, on such Business Day by filing the form of Notice of Claim and Certificate delivered by the Bond Insurance Policy.

(b) The Bond Trustee shall designate any portion of payment of principal on Series 2025A 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 Series 2025A Bonds registered to the then current Bondholder, whether DTC or its nominee or otherwise, and shall issue a replacement Bond to the Bond Insurer, registered in the name of Assured Guaranty Inc., in a principal amount equal to the amount of principal so paid (without regard to authorized denominations); provided the Bond Trustee's failure to so designate any payment or issue any replacement Bond shall have no effect on the amount of principal or interest payable to the Authority on any Series 2025A Bond or the subrogation rights of the Bond Insurer.

(c) The Bond Trustee shall keep a complete and accurate record of all funds deposited by the Bond Insurer into the Policy Payment Account (defined below) and the allocation of such funds to payment of interest on and principal of any Bonds. The Bond Insurer shall have the right to inspect such records at reasonable times upon reasonable notice to the Bond Trustee.

(d) Upon payment of a claim under the Bond Insurance Policy, the Bond Trustee shall establish a separate special purpose trust account for the benefit of Bondholders referred to herein as the "Policy Payments Account" and over which the Bond Trustee shall have exclusive control and sole right of withdrawal. The Bond

Trustee shall receive any amount paid under the Bond Insurance Policy in trust on behalf of Bondholders and shall deposit any such amount in the Policy Payments Account and distribute such amount only for purposes of making the payments for which a claim was made. Such amounts shall be disbursed by the Bond Trustee to Bondholders in the same manner as principal and interest payments are to be made with respect to the Series 2025A Bonds under the sections hereof regarding payment of Bonds. It shall not be necessary for such payments to be made by checks or wire transfers separate from the check or wire transfer used to pay debt service with other funds available to make such payments. Notwithstanding anything herein to the contrary, the Authority 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 (the "Bond Insurer Advances"); and (ii) interest on such Bond Insurer Advances from the date paid by the Bond Insurer until payment thereof in full, payable to the Bond Insurer at the Late Payment Rate per annum (collectively, the "Bond Insurer Reimbursement Amounts"). "Late Payment Rate" means the lesser of (a) the greater of (i) the per annum rate of interest, publicly announced from time to time by JPMorgan Chase Bank at its principal office in The City of New York, as its prime or base lending rate (any change in such rate of interest to be effective on the date such change is announced by JPMorgan Chase Bank) plus 3%, and (ii) the then applicable highest rate of interest on the Series 2025A Bonds and (b) the maximum rate permissible under applicable usury or similar laws limiting interest rates. The Late Payment Rate shall be computed on the basis of the actual number of days elapsed over a year of 360 days. The Authority hereby covenants and agrees that the Bond Insurer Reimbursement Amounts are secured by a lien on and pledge of the Trust Estate and payable from such Trust Estate on a parity with debt service due on the Series 2025A Bonds.

(e) Funds held in the Policy Payments Account shall not be invested by the Bond Trustee and may not be applied to satisfy any costs, expenses or liabilities of the Bond Trustee. Any funds remaining in the Policy Payments Account following a Bond Payment Date shall promptly be remitted to the Bond Insurer.

(f) In the event that the Bond Trustee has notice that any payment of principal of or interest on a Bond has been recovered from a Bondholder pursuant to the United States Bankruptcy Code by a trustee in bankruptcy in accordance with the final, nonappealable order of a court having competent jurisdiction, the Bond Trustee shall, at the time it provides notice to the Bond Insurer, notify all Bondholders that in the event that any Bondholder's payment is so recovered, such Bondholder will be entitled to payment from the Bond Insurer to the extent of such recovery, and the Bond Trustee shall furnish to the Bond Insurer its records evidencing the payments of principal of and interest on the Series 2025A Bonds which have been made by the Bond Trustee and subsequently recovered from Bondholders, and the dates on which such payments were made.

(g) The Bond Insurer shall, to the extent it makes payment of principal of or interest on the Series 2025A Bonds, become subrogated to the rights of the recipients of such payments in accordance with the terms of the Bond Insurance Policy (which subrogation rights shall also include the rights of any such recipients in connection with any insolvency proceeding). Each obligation of the Authority to the Bond Insurer under the Related Documents shall survive discharge or termination of such Related Documents.

(h) The Authority shall pay or reimburse the Bond Insurer from money provided by the Institutions under the Loan Agreement or otherwise available to the Authority for such purpose, any and all charges, fees, costs and expenses that the Bond Insurer may reasonably pay or incur in connection with (i) the administration, enforcement, defense or preservation of any rights or security in any Related Document; (ii) the pursuit of any remedies under the Bond Indenture or any other Related Document or otherwise afforded by law or equity, (iii) any amendment, waiver or other action with respect to, or related to, the Bond Indenture or any other Related Document whether or not executed or completed, or (iv) any litigation or other dispute in connection with the Bond Indenture or any other Related Document or the transactions contemplated thereby, other than costs resulting from the failure of the Bond Insurer to honor its obligations under the Bond Insurance Policy. The Bond Insurer reserves the right to charge a reasonable fee as a condition to executing any amendment, waiver or consent proposed in respect of the Bond Indenture or any other Related Document.

(i) After payment of reasonable expenses of the Bond Trustee, the application of funds realized upon default shall be applied to the payment of expenses of the Authority or rebate only after the payment of past due and current debt service on the Series 2025A Bonds and amounts required to restore the Reserve Fund to the Reserve Fund Requirement.

(j) The Bond Insurer shall be entitled to pay principal or interest on the Series 2025A Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer (as such terms are defined in the Bond Insurance Policy) and any amounts due on the Series 2025A Bonds as a result of acceleration of the maturity thereof, whether or not the Bond Insurer has received a Notice of Nonpayment (as such terms are defined in the Bond Insurance Policy) or a claim upon the Bond Insurance Policy.

(k) If a forward supply contract is employed in connection with any refunding of the Series 2025A Bonds (i) the verification report delivered in connection therewith shall expressly state that the adequacy of the escrow to accomplish the refunding relies solely on the initial escrowed investments and the maturing principal thereof and the interest income thereon and does not assume performance under or compliance with the forward supply contract, and (ii) the applicable escrow agreement shall provide that in the event of any discrepancy or difference between the terms of the forward supply contract and the escrow agreement, the terms of the escrow agreement shall be controlling.

(l) In connection with the redemption of Series 2025A Bonds, (i) the Bond Trustee shall provide the Bond Insurer with the following: (A) notice of redemption, other than mandatory sinking fund redemption, of any of the Series 2025A Bonds, or of any advance refunding of the Series 2025A Bonds, including the principal amount, maturities and CUSIP numbers thereof; (B) notice of any drawing on the Reserve Fund; and (C) such additional information as the Bond Insurer may reasonably request from time to time, and (ii) upon the redemption of bonds in part, other than mandatory sinking fund redemption, the selection of Bonds redeemed shall be subject to the approval of the Bond Insurer.

(m) The parties hereto agree that the Bond Insurer is hereby entitled to (i) notify the Authority, the Bond Trustee, or any applicable receiver upon the occurrence of a Bond Indenture Event of Default, and (ii) request the Bond Trustee or the receiver to intervene in judicial proceedings that affect the Series 2025A Bonds or the security therefor. The Bond Trustee shall accept notice of default from the Bond Insurer. (Section 5.4)

Matters Relating to the Bond Insurer. (a) The Bond Insurer shall be deemed to be the sole holder of the Series 2025A Bonds for purposes of exercising any voting right or privilege or giving any consent or direction or taking any other action that the holders of the Series 2025A Bonds are entitled to take pursuant to the Bond Indenture to the extent provided therein with respect to (i) defaults and remedies under Article VII of the Original Indenture and (ii) the duties and obligations of the Bond Trustee under Section 8.6 of the Original Indenture. In furtherance thereof and as a term of the Bond Indenture, the Bond Trustee and the Bondholders appoint the Bond Insurer as their agent and attorney-in-fact and agree the Bond Insurer may at any time during the continuance of any proceeding or against the Authority or the Series 2025A Institutions under the United States Bankruptcy Code or any 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 and Insolvency Proceeding (a "Claim"), (B) the direction of any appeal of any order relating to a Claim, (C) the posting of any surety, supersedeas or performance bond an any such appeal, and (D) the right to vote to accept or reject any plan of adjustment. In addition, the Bond Trustee and each Bondholder delegate and assign to the Bond Insurer, to the fullest extent permitted by law, the rights of the Bond Trustee and each Bondholder, respectively, 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. Remedies expressly include mandamus.

(b) No credit instrument provided in lieu of cash may be deposited in the Reserve Fund without the prior written consent of the Bond Insurer. (Section 5.5)

General Covenants of the Authority

Secondary Market Disclosure. (a) In order to assist the Original Purchasers in their compliance with Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (the "Rule"), the Authority covenants that, for the benefit of the Holders of the Bonds, it will:

(i) As soon as practicable but in no event later than twelve (12) months after the end of each fiscal year of the Authority, file with the Bond Trustee the "annual financial information" (as such term is used in the Rule) as described in paragraph (c) hereof, for each "Material Obligated

Person". Any Material Obligated Person may satisfy the requirement to provide annual financial information by filing with the Bond Trustee a current official statement, prospectus or offering statement which contains such annual financial information. "Material Obligated Person" shall mean the Authority, by virtue of its title and interest in the Reserve Fund, and shall mean any other entity constituting an "obligated person" (as such term is used in the Rule) and, in the determination of the Authority, meeting the "objective criteria" (as such term is used in the Rule) described as follows. The Authority shall use the following objective criteria in selecting which entities that constitute obligated persons are to be considered Material Obligated Persons from time to time and thus be obligated to provide annual financial information under this paragraph (a)(i).

(A) An entity shall be considered a Material Obligated Person if it is responsible for the repayment of in excess of twenty percent (20%) of the aggregate principal amount of all loans outstanding made by the Authority to all entities from proceeds of bonds or notes of the Authority, including the Bonds, that are secured by the Reserve Fund established under the Reserve Fund Resolution.

(B) In addition to any Material Obligated Persons described in paragraph (A) above, any entities designated by the Authority shall be considered Material Obligated Persons during any period of time commencing thirteen (13) months after the State of Maine has failed to restore the Reserve Fund to the Reserve Fund Requirement in accordance with Section 2.01(d) of the Reserve Fund Resolution and Section 2075(1)(C) of the Act, or commencing on the date that the Legislature of the State of Maine has repealed Section 2075 of the Act.

(ii) As soon as practicable but in no event later than twelve (12) months after the end of each fiscal year of the Authority and any other Material Obligated Person, respectively, file with the Bond Trustee the audited financial statements of the Authority and any other Material Obligated Person, respectively, prepared in accordance with generally accepted accounting principles, as of the end of such fiscal year, each accompanied by the certificate or opinion of a firm of recognized independent certified public accountants.

(iii) In a timely manner not in excess of ten (10) business days after the occurrence of any material event, file with the Bond Trustee a certificate of an Authority Representative giving notice of such material events as to the Authority and other Material Obligated Person (as applicable) with respect to the Bonds as may be required by the Rule, including, but not limited to: principal and interest payment delinquencies, non-payment related defaults, if material: unscheduled draws on the Reserve Fund reflecting financial difficulties; unscheduled draws on credit enhancements, including but not limited to the Bond Insurance Policy, related to the Series 2025A Bonds reflecting financial difficulties; substitution of credit or liquidity providers for the Bonds; if any, including but not limited to the Bond Insurer, or the failure of any such providers to perform; 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 or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds; modifications to the rights of the Bondholders, if material; bond calls if material, and tender offers; defeasances; release, substitution, or sale of property securing repayment of the Bonds, if material; rating changes; bankruptcy, insolvency, receivership or similar event of the Authority or any other Material Obligated Person; the consummation of a merger, consolidation, or acquisition, or the sale of all or substantially all of the assets of the Authority or other Material Obligated Person, 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; appointment of a successor or additional bond trustee or the change of name of a bond trustee, if material; incurrence of a Financial Obligation (as such term is defined in the Rule) of the Authority or other Material Obligated Person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect security

holders, if material; default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the obligated person, any of which reflect financial difficulties, and such other material information as the Authority determines should be disclosed or is required to be disclosed under the Rule.

(b) The Bond Trustee shall, as soon as practicable, provide the Municipal Securities Rulemaking Board (the "MSRB") through its Electronic Municipal Market Access system, copies of the documents filed with the Bond Trustee pursuant to paragraphs (a)(i) and (a)(ii) of this Section, copies of the documents and notices filed with the Bond Trustee pursuant to paragraph (a)(iii) of this Section, and notice of the failure of the Authority or any other Material Obligated Person to provide the Bond Trustee with the documents including all the information, and at the time, specified by paragraph (a)(i) of this Section, each such copy or notice shall be provided in an electronic format and accompanied by identifying information as prescribed by the MSRB.

(c) In accordance with the Rule, the following is the type of financial information and operating data (if material) to be provided as part of the annual financial information required under Section 6.1(a)(i) of the Supplemental Indenture:

(i) for the Authority, material information concerning the Reserve Fund established under the Reserve Fund Resolution, including the market value (if applicable) of any individual Permitted Investment and cash held directly in the Reserve Fund, the percentage of the aggregate principal amounts of the Permitted Investments held directly in the Reserve Fund that mature later than five (5) years after the date of such annual financial information, the types of Permitted Investments held in the Reserve Fund, the occurrence of any material investment losses in the Reserve Fund, the identity of any counterparty to any repurchase agreement or guaranteed investment contract, and the downgrade of any Permitted Investment held in the Reserve Fund; and

(ii) for any other Material Obligated Person, material information concerning its financial statements, revenues and expenses, and results of operations, fund balances, endowments, investments, and, as applicable to the type of entity constituting a Material Obligated Person, material information concerning utilization statistics, admissions, numbers and types of beds, sources of patient service revenue, emergency room visits, inpatient and outpatient surgical procedures, occupancy percentages, numbers of physicians, employees and labor relations, licensing and accreditations, enrollments, faculty, services provided, births, average length of stay, case mix index, major construction projects, significant incurrences of debt, litigation, research funding, grants, insurance, environmental hazards and numbers of persons served.

(d) The Authority, in its discretion, may determine that any entity once designated as a Material Obligated Person shall no longer be considered a Material Obligated Person and as such with respect to which annual financial information will no longer be provided or required under the Supplemental Indenture.

(e) The Bond Trustee also shall take such other action with respect to any financial and other statements, reports, certificates and other information as shall be required, in the Opinion of Counsel, to comply with any and all requirements of the Securities and Exchange Commission or other governmental agency with jurisdiction over the Authority and the Bonds.

(f) The breach by the Authority of its covenants set forth in paragraph (a) above shall upon satisfaction of the conditions of Section 7.01(c) of the Original Indenture, constitute a Bond Indenture Event of Default. However, acceleration as provided in Section 7.02 of the Original Indenture shall not be available to the Bond Trustee or the Bondholders as a result of such Bond Indenture Event of Default. Nothing in Section 7.09 of the Original Indenture shall affect or impair or be construed to effect or impair the rights of the Holders or Beneficial Owner of any Bond to seek compliance with the provisions of Section 6.1 of the Supplemental Indenture.

(g) Notwithstanding the provisions of Section 9.01(i) of the Original Indenture, Section 6.1 of the Supplemental Indenture may be amended without the consent of the Bondholders or the Bond Insurer upon satisfaction of the following:

(i) there shall be delivered to the Bond Trustee a certificate of the Authority, upon which the Bond Trustee shall be entitled to conclusively rely, stating that (A) such amendment is to be made in connection with a change in circumstance that arose from a change in legal (including regulatory) requirements, change in law (including rules and regulations) or the interpretation thereof, or change in identity, nature or status of the Material Obligated Person in question, or type of business conducted by such Material Obligated Person, and (B) the undertaking provided for by Section 6.1 of the Supplemental Indenture, as amended, would have complied with the Rule as of the date of the original issuance of the Series 2025A Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances (the requirements of this Section 6.1(g)(i)(B) may be satisfied by an Opinion of Bond Counsel); and

(ii) there shall be delivered to the Bond Trustee an Opinion of Bond Counsel upon which the Bond Trustee shall be entitled to conclusively rely to the effect that the amendment does not materially impair the interest of Bondholders. In lieu of satisfaction of Section 6.1(g)(ii) of the Supplemental Indenture, the Authority may obtain the prior written consent of the holders of the Bonds pursuant to Article IX of the Original Indenture.

All opinions and certificates delivered pursuant to subsection (g) shall be delivered to the MSRB in an electronic format and accompanied by identifying information as prescribed by the MSRB. In addition, in connection with any amendment to this Section, the annual information to be provided pursuant to subsection (c) next following such amendment shall provide, in narrative form, the reasons for such amendment and the impact of the change in the type of operating data or financial information to be provided. (Section 6.1)

Default and Remedies

Bond Indenture Events of Default. Each of the provisions of Section 7.01 of the Original Indenture is declared a "Bond Indenture Event of Default" under the Supplemental Indenture. (Section 7.1)

Uniform Commercial Code Remedies. In addition to every other remedy given to the Bond Trustee under Article VII of the Original Indenture, upon the occurrence and during the continuation of a Bond Indenture Event of Default, the Bond Trustee shall have all rights and remedies of a secured party under the Maine Uniform Commercial Code as in effect at the time such rights or remedies are exercised. (Section 7.2)

CERTAIN PROVISIONS OF THE AGREEMENTS

Issuance of Series 2025A Bonds and Series 2025A Notes

Additional Notes. The Institution may issue Additional Notes, on a parity with the Series 2025A Notes, but only to secure Additional Bonds issued on behalf of the Institution in accordance with the Bond Indenture and secured by the Reserve Fund. (Section 3.05)

Security for Bonds. (a) The Institution agrees that the principal and Redemption Price of and the interest on the Bonds shall be payable in accordance with the Bond Indenture and the right, title and interest of the Authority under the Agreement and in and to the Series 2025A Notes, any Additional Notes issued to secure Additional Bonds, the Note Payments and other amounts paid or payable by the Institution thereunder, other than fees and expenses payable or reimbursable to the Authority, shall be assigned and pledged by the Authority to the Bond Trustee pursuant to the Bond Indenture to secure the payment of the Bonds. The Institution agrees that all of the rights accruing to or vested in the Authority with respect to the Notes or under the Agreement may be exercised, protected and enforced by the Bond Trustee for or on behalf of the Holders in accordance with the provisions of the Agreement and of the Bond Indenture.

(b) The Agreement is executed in part to induce the purchase by others of the Bonds, and to induce the Bond Trustee to accept its duties and obligations under the Bond Indenture and the Reserve Fund Trustee to accept its duties and obligations under the Reserve Fund Resolution, and, accordingly, all covenants and agreements on the part of the Institution and the Authority, as set forth in the Agreement, are to be for the benefit of the owners from time to time of the Bonds, the Bond Trustee and the Reserve Fund Trustee.

(c) The Institution agrees to do all things within its power in order to comply with and to enable the Authority to comply with all requirements related to the Institution, and to fulfill and to enable the Authority to fulfill all covenants related to the Institution, of the Bond Resolution, the Tax Regulatory Agreement and the Bond Indenture.

(d) The Institutions agree to deliver or cause to be delivered, at the Institution's expense, at the time of the delivery of the Series 2025A Bonds, a title insurance policy, or a title opinion, with respect to the Land satisfactory to the Authority and its counsel.

(e) As security for its obligation to make the Note Payments required under the Agreement, the Institution by the Agreement grants to the Authority a security interest in all Gross Receipts, and authorizes the Authority or its representatives to file financing statements with respect thereto. The existence of such security interest shall not prevent the expenditure, deposit or commingling of Gross Receipts by the Institution so long as no Agreement Event of Default exists and all required Note Payments under the Agreement are made when due. Without limiting the generality of the foregoing, this security interest shall apply to all rights to receive Gross Receipts whether in the form of Accounts Receivable, contract rights or other rights, and to the proceeds of such rights. This security interest shall apply to all of the foregoing, whether now existing or hereafter coming into existence and whether now owned or held or hereafter acquired by the Institution to the extent permitted by law. If an Agreement Event of Default exists and any required Note Payment under the Agreement is not made when due, any Gross Receipts subject to this security interest which are then on hand and any such Gross Receipts thereafter received, shall not be commingled or deposited by the Institution but shall immediately, or upon receipt, be transferred to the Bond Trustee (giving recognition to proration for any parity security interest in Gross Receipts granted in accordance with the Agreement) for deposit into the Bond Fund to the extent needed to make the amount on deposit in the Bond Fund not less than the requirements of the Bond Fund. The Institution represents that as of the date of the delivery of the Agreement it has granted no security interest in Gross Receipts prior to or equal to the security interest granted by this section, except as may be described in such Institution's Agreement. To the extent an Institution has granted such security interest, the rights of the parties thereto, including bondholders, may be governed by an intercreditor agreement.

(f) As further security for its obligation to make the Note Payments required under the Agreement, the Institution by the Agreement grants to the Authority a security interest in its Equipment and a mortgage lien on its Facility. The Institution represents that as of the date of delivery of the Agreement it has granted no security interest in its Equipment and no mortgage lien on its Facility prior to or equal to the security interest and mortgage

lien granted by this Section 3.06(f) but for any mortgages securing outstanding bonds of the Authority and applicable security interests, if any, listed as a pre-existing encumbrance in Schedule D attached to the Agreement and incorporated therein, provided, however, none of the pre-existing encumbrances listed in Schedule D attached to the Agreement create a security interest and/or mortgage lien on the Institution's fixtures, Equipment or its Land and/or Facility prior to or equal to the mortgage lien or security interest granted by the Agreement except for: (i) previous loans and security interests granted by the Institution to the Authority which shall be on a parity with the lien created by the Agreement; (ii) security interests for capital leases and/or equipment financing that met the definitions in the Agreement for Permitted Encumbrances and Permitted Debt; or (iii) as otherwise may be described in such Institution's Agreement. To the extent an Institution has granted such security interest pursuant to (iii) above, the rights of the parties thereto, including bondholders, may be governed by an intercreditor agreement**.** (Section 3.06)

Payments

Payments of Principal, Premium and Interest. The Institution covenants that it will duly and punctually pay the principal of and interest and any premium on the Notes at the dates and in the places and manner mentioned therein and in the Agreement. Notwithstanding any schedule of payments to be made on the Notes set forth therein or in the Agreement, the Institution agrees to make payments upon the Notes and be liable therefor at the times and in the amounts equal to the amounts to be paid as principal or Redemption Price of or interest on the Institution's Allocable Share of the Bonds from time to time Outstanding under the Bond Indenture as the same shall become due whether at maturity, upon redemption, by declaration of acceleration or otherwise.

All amounts payable with respect to the Notes or under the Agreement by the Institution to the Authority, except as otherwise expressly provided therein, shall be paid to the Bond Trustee for the account of the Authority so long as any Bonds remain Outstanding.

The Institution agrees and represents that it has received fair consideration in return for the obligations undertaken and to be undertaken by the Institution resulting from each Note issued or to be issued by the Institution under the Agreement. (Section 4.01)

Note Payments. (a) The Note Payments shall be made pursuant to the Agreement. In addition to the Note Payments, the Institution shall at the same time make payments of installments of the Annual Administrative Fee as provided in the Agreement. Any scheduled payment which shall not be paid when due shall bear interest at the highest rate of interest borne on any Bond from the date the Note Payment is due until the same shall be paid.

(b) The Note Payments shall include the amount, if any, necessary to cause the amount credited to the Interest Account together with available moneys and investment earnings on investments then on deposit in the Interest Account, if such earnings will be received before the next Bond Payment Date as determined by the Bond Trustee (but only to the extent that such moneys or investment earnings have not previously been credited for purposes of such calculation), to be not less than the applicable percentage of interest to be paid on the Institution's Allocable Share of Outstanding Bonds on such Bond Payment Date. The Note Payments to be made pursuant to this paragraph (b) shall be appropriately adjusted to reflect the date of issuance of the Bonds and accrued or capitalized interest, if any, deposited in the Interest Account.

(c) The Note Payments shall include (after credit for any investment earnings in such Account that have not previously been credited), during each Bond Year ending on a date on which Serial Bonds mature, the amount necessary to cause the amount credited to the Principal Account, together with the available moneys and investment earnings on investments then on deposit in the Principal Account, if such earnings will be received before the last day of the Bond Year as determined by the Bond Trustee (but only to the extent that such moneys or investment earnings have not previously been credited for purposes of such calculation), to be not less than the applicable percentage of the principal amount of the Institution's Allocable Share of Serial Bonds Outstanding which will mature on the last day of the Bond Year.

(d) The Note Payments shall include (after credit for any investment earnings in such Account that have not previously been credited), during each Bond Year ending on a date which is a Sinking Fund Account Retirement Date, the amount necessary to cause the amount credited to the Sinking Fund Account, together with available moneys and investment earnings on investments then on deposit in the Sinking Fund Account, if such

earnings will be received before the last day of the Bond Year as determined by the Bond Trustee (but only to the extent that such moneys or investment earnings have not previously been credited for purposes of such calculation), to be not less than one-twelfth of the Institution's Allocable Share of Sinking Fund Account Requirements to be satisfied on or before the last day of the Bond Year.

(e) The Note Payments shall include the Institution's allocable share (within the meaning of the Reserve Fund Resolution) of the amount or amounts to be deposited into the Reserve Fund sufficient to cause the Reserve Fund Value to be not less than the Reserve Fund Requirement, within three months (in three substantially equal monthly installments) after a computation of the Reserve Fund Value by the Reserve Fund Trustee indicates that the Reserve Fund Value is below the Reserve Fund Requirement, in the event that such deficiency results from a decline in the market value of Permitted Investments held in the Reserve Fund; provided, however, that the Institution shall not be required to make such payments in the event that the Authority and the Institution shall have entered into an arrangement or contract to provide for the replenishment of any such deficiency, or the Authority otherwise provides for the replenishment of such deficiency, and such deficiency is replenished within such three month period, as provided in Section 2.01(e) of the Reserve Fund Resolution.

(f) The Note Payments shall include the Institution's allocable share (within the meaning of the Reserve Fund Resolution) of the amount or amounts to be deposited into the Reserve Fund sufficient to cause the Reserve Fund Value to be not less than the Reserve Fund Requirement, in six substantially equal monthly installments after any transfer of funds by the Reserve Fund Trustee from the Reserve Fund in accordance with the Reserve Fund Resolution, as a result of the Institution's failure to make a timely payment or payments due to the Authority under the Agreement with respect to debt service on the Bonds, or as a result of the recovery of any payment made to a Holder in the event that such payment is determined to constitute an avoidable preference to such Holder, as provided in the Reserve Fund Resolution; provided, however, that the Institution shall not be required to make such payments in the event that the Authority and the Institution shall have entered into an arrangement or contract to provide for the replenishment of any such deficiency, or the Authority otherwise provides for the replenishment of such deficiency, and such deficiency is replenished within such six month period, as provided in the Reserve Fund Resolution.

(g) The Note Payments shall include the Institution's allocable share (within the meaning of the Reserve Fund Resolution) of lost investment earnings on moneys in the Reserve Fund, as determined by the Authority in its sole discretion, as a result of a transfer of funds by the Reserve Fund Trustee from the Reserve Fund in accordance with the Reserve Fund Resolution, in an amount in excess of the Institution's allocable share (within the meaning of the Reserve Fund Resolution) of the Reserve Fund, within six months, as a result of the Institution's failure to make a timely payment or payments due to the Authority under the Agreement with respect to debt service on the Bonds, or as a result of the recovery of any payment made to a Holder in the event that such payment is determined to constitute an avoidable preference to such Holder, as provided in the Reserve Fund Resolution; provided, however, that the Institution shall not be required to make such payments in the event that the Authority and the Institution shall have entered into an arrangement or contract to provide for the replenishment of any such deficiency, or the Authority otherwise provides for the replenishment of such deficiency, and such deficiency is replenished within such six month period, as provided in the Reserve Fund Resolution.

(h) The Note Payments shall include the Institution's allocable share (within the meaning of the Reserve Fund Resolution) of any and all amounts by which the earnings from the investments held or on deposit in the Reserve Fund are less than the debt service payments and related expenses due with respect to an amount of Bonds, the proceeds of which were deposited into the Reserve Fund, as determined by the Authority from time to time and as communicated in writing to the Bond Trustee and the Institution, in monthly installments; provided, however, that the Institution shall not be required to make such installments required by this clause in the event that the Authority and such Institution shall have entered into an arrangement or contract to provide for the replenishment of any such deficiency, or the Authority otherwise provides for the replenishment of such deficiency, and such deficiency is replenished within thirty (30) days.

(i) The Note Payments shall include the Institution's allocable share (within the meaning of the Reserve Fund Resolution) of the amount or amounts to be deposited into any other fund or account established under the Bond Indenture, in six substantially equal monthly installments, after any transfer of funds by the Bond Trustee, whether at the direction of the Authority or otherwise, from any such fund or account, as a result of the Institution's failure to make a timely payment or payments due to the Authority under the Agreement.

(j) The Note Payments shall include the Institution's allocable share (within the meaning of the Reserve Fund Resolution) of any and all amounts due with respect to any rebate due to the United States pursuant to the Code and the Tax Regulatory Agreement. (Section 4.02)

Particular Covenants

Covenants as to Corporate Existence, Maintenance of Property, Etc. The Institution covenants in the Agreement:

(a) Except as otherwise expressly provided in the Agreement, to preserve its corporate or other separate legal existence and all its rights and licenses to the extent necessary or desirable in the operation of its business and affairs and to be qualified to do business in each jurisdiction where its ownership of Property or the conduct of its business requires such qualifications; provided, however, that nothing in the Agreement contained shall be construed to obligate it to retain or preserve any of its rights or licenses no longer used or useful in the conduct of its business.

(b) At all times to cause its business to be carried on and conducted and its Property to be maintained, preserved and kept in good repair, working order and condition and all needful and proper repairs, renewals and replacements thereof to be made; provided, however, that nothing in the Agreement contained shall be construed (i) to prevent it from ceasing to operate any portion of its Property, if in its judgment (evidenced, in the case of such a cessation other than in the ordinary course of business, by a determination by its Governing Body delivered to the Authority and the Bond Trustee) it is advisable not to operate the same, or if it intends to sell or otherwise dispose of the same as a Permitted Disposition in accordance with the provisions of the Agreement and within a reasonable time endeavors to effect such sale or other disposition, or (ii) to obligate it to retain, preserve, repair, renew or replace any Property, leases, rights, privileges or licenses no longer used or useful in the conduct of its business.

(c) To do all things reasonably necessary to conduct its affairs and carry on its business and operations in such manner as to comply in all material respects with any and all applicable laws of the United States and the several states thereof and to duly observe and conform to all valid orders, regulations or requirements of any governmental authority relative to the conduct of its business and the ownership of its Property; provided, nevertheless, that nothing contained in the Agreement shall require it to comply with, observe and conform to any such law, order, regulation or requirement of any governmental authority so long as the validity thereof or the applicability thereof to it shall be contested in good faith; provided, however, that no such contest shall subject the Bond Trustee or the Authority to the risk of any liability, and, in any event, that the Institution shall indemnify the Bond Trustee and the Authority against any liability resulting from such contest.

(d) Promptly to pay all lawful taxes, governmental charges and assessments at any time levied or assessed upon or against it or its Property; provided, however, that it shall have the right to contest in good faith any such taxes, charges or assessments or the collection of any such sums and pending such contest may delay or defer payment thereof; provided, however, that no such contest shall subject the Bond Trustee or the Authority to the risk of any liability, and, in any event, that the Institution shall indemnify the Bond Trustee and the Authority against any liability resulting from such contest.

(e) Promptly to 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, other than any thereof (exclusive of the Notes issued and Outstanding under the Agreement) whose validity, amount or collectability is being contested in good faith; provided, however, that no such contest shall subject the Bond Trustee or the Authority to the risk of any liability, and, in any event, that the Institution shall indemnify the Bond Trustee and the Authority against any liability resulting from such contest.

(f) At all times to 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; provided, however, that it shall have the right to contest in good faith any such terms, covenants or provisions and pending such contest may delay or defer compliance therewith; provided, however, that no such contest shall subject the Bond Trustee or the Authority to the risk of any liability, and, in any event, that the Institution shall indemnify the Bond Trustee and the Authority against any liability resulting from such contest.

(g) To procure and maintain all necessary licenses, permits, and, if applicable, certifications, and use its best efforts to maintain accreditation of its facilities by appropriate accrediting organizations. If applicable, the Institution will use its best efforts to maintain its status as a provider of services eligible for reimbursement under appropriate third party payor programs and comparable programs, including future governmental programs as long as, in the opinion of the Institution, such eligibility or accreditation is in the best interests of the Institution.

(h) To take no action or suffer any action to be taken by others under its control which would result in the interest on any Bond becoming subject to federal income taxes.

(i) On the date on which the Institution becomes subject to the provisions of this Agreement and at all times thereafter, to consent to the jurisdiction of the courts of the State for causes of action arising solely under the terms of the Agreement.

(j) That all action heretofore and hereafter taken by the Institution to operate and maintain the Institution's Property, Plant and Equipment and to maintain the Project, and all actions hereafter taken by the Authority to maintain the Project upon the recommendation or request of any officer, employee or agent of the Institution have been and will be in full compliance with the Bond Resolution, the Bond Indenture, the Tax Regulatory Agreement, the Agreement and will comply in all material respects with all pertinent laws, ordinances, rules, regulations and orders applicable to the Institution or the Authority; and in connection with the operation, maintenance, repair and replacement of the Institution's Property, Plant and Equipment, that it shall comply in all material respects with all applicable ordinances, laws, rules, regulations and orders of the United States of America, the State, or the Municipality of the Institution.

(k) That the Institution's Property, Plant and Equipment have been and will be in compliance in all material respects with all applicable zoning, subdivision, building, land use, environmental and similar laws and ordinances; and that it shall not take any action or request the Authority to take any action which would cause such Property or any part thereof to be in violation of such laws or ordinances. The Institution acknowledges that any review of any such actions heretofore or hereafter taken by the staff or counsel of the Authority has been or will be solely for the protection of the Authority.

(l) To hold and use the Facility for community health or social service facility, hospital, nursing home, residential care facility, continuing care retirement community, assisted living facility, community mental health, community health center, scene response air ambulance, college or university purposes in a manner consistent with the Act so long as the principal of and interest on the Institution's Note has not been fully paid and retired and all other conditions of the Bond Indenture with respect to the Institution, the Tax Regulatory Agreement and the Agreement have not been satisfied and the lien and security interests created under the Bond Indenture and the Agreement have not been released in accordance with the provisions of the Agreement.

(m) The Project shall be used only for the purposes described in the Act and no part of the Project shall be used for any purpose which would cause the Authority's financing and refinancing of the Project to constitute a violation of the First Amendment of the United States Constitution; and, in particular, that no part of the Project, so long as it is owned or controlled by the Institution, shall be used for any sectarian instruction or as a place of religious worship or in connection with any part of a program of a school or department of divinity for any religious denomination in a manner which would violate the First Amendment of the United States Constitution; and any proceeds of any sale, lease, taking by eminent domain of the Project or other disposition thereof shall not be used for, or to provide a place for, such instruction, worship or program. The provisions of the foregoing sentence shall, to the extent permitted and required by law, survive termination of the Agreement.

(n) To provide ample parking for the Facility at a site or sites convenient for its operation.

(o) To provide at least thirty (30) days prior written notice to the Authority and the Bond Trustee of the commencement by the Institution of proceedings to be adjudicated a bankrupt or insolvent, or any other similar action described in Section 6.01(d) or (e) of the Agreement. (Section 5.01)

Preservation of Exempt Status. (a) The Institution represents and warrants that as of the date of the Agreement: (i) it is an organization described in Section 501(c)(3) of the Code; (ii) it has received a letter or determination from the Internal Revenue Service, or has otherwise been designated pursuant to a group ruling or otherwise by the Internal Revenue Service, to that effect; (iii) such letter or determination has not been modified, limited or revoked; (iv) it is in compliance with all terms, conditions and limitations, if any, contained in or forming the basis of such letter or determination; (v) the facts and circumstances which form the basis of such letter or determination continue substantially to exist as represented to the Internal Revenue Service; (vi) it is not a "private foundation" as defined in Section 509 of the Code; (vii) it is exempt from Federal income taxes under Section 501(a) of the Code and it is in compliance with the provisions of said Code and any applicable regulations thereunder necessary to maintain such status; and (viii) it is a "participating community health or social service facility", a "participating health care facility", or a "participating institution for higher education" within the meaning of the Act, being a nonprofit community health or social service facility, hospital, nursing home, residential care facility, continuing care retirement community, assisted living facility, community mental health facility, community health center, scene response air ambulance, college or university located within and incorporated under the laws of the State, and if applicable, licensed as such by the appropriate department of the State, or licensed for all services requiring licensure by the appropriate department or bureau of the State.

(b) The Institution agrees that (i) it shall not perform any acts, enter into any agreements, carry on or permit to be carried on at the Facility, or permit the Facility to be used in or for any trade or business, which shall adversely affect the basis for the exemption under Section 501 of such Code; (ii) it shall not use more than three percent (3%) (or such higher percentage, if any, permitted by the Code with respect to the bonds to be refunded with a portion of the proceeds of the Series 2025A Bonds) of the Institution's Allocable Share of the net proceeds of the Bonds or permit the same to be used, directly or indirectly, in any trade or business that constitutes an unrelated trade or business as defined in Section 513(a) of the Code or in any trade or business carried on by any Person or Persons who are not governmental units or Tax-Exempt Organizations; (iii) it shall not directly or indirectly use the proceeds of the Bonds to make or finance loans to Persons other than governmental units or Tax-Exempt Organizations; (iv) it shall not take any action or permit any action to be taken on its behalf, or cause or permit any circumstances within its control to arise or continue, if such action or circumstances, or its expectation on the date of issuance of the Bonds, would cause the Bonds to be "arbitrage bonds" under the Code or cause the interest paid by the Authority on the Bonds to be subject to Federal income tax in the hands of the holders thereof; and (v) it shall use its best efforts to maintain the tax-exempt status of the Bonds.

(c) The Institution (or any related person, as defined in Section 147(a)(2) of the Code) shall not, pursuant to an arrangement, formal or informal, purchase the Bonds in an amount related to the amount of the payments due from the Institution under the Agreement. (Section 5.02)

Immunity and Indemnity. (a) In the exercise of the powers of the Authority and its members, directors, officers, employees, agents and consultants under the Bond Resolution, the Bond Indenture, the Tax Regulatory Agreement, and the Agreement including, without limiting the foregoing, the application of moneys and the investment of funds, the Authority shall not be accountable to the Institution for any action taken or omitted by it or its members, directors, officers, employees, agents and consultants in good faith and believed by it or them to be authorized or within the discretion or rights or powers conferred. The Authority and its members, directors, officers, employees, agents and consultants shall be protected in its or their acting upon any paper or documents believed by it or them to be genuine, and it or they may conclusively rely upon the advice of counsel and may (but need not) require further evidence of any fact or matter before taking any action. No recourse shall be had by the Institution for any claims based on the Bond Resolution, the Tax Regulatory Agreement, the Bond Indenture or the Agreement or any instruments or documents related thereto against any member, director, officer, employee, agent or consultant of the Authority alleging personal liability on the part of such Person unless such claims are based upon the bad faith, fraud or deceit of such Person.

(b) The Institution will pay and will indemnify, defend and hold the Authority (including any Person at any time serving as a member, director, officer, employee, agent or consultant of the Authority in their capacity as such) harmless from and against the Institution's Allocable Share of all claims, liabilities, losses, damages, costs, expenses (including reasonable attorneys' fees), suits and judgments of any kind arising out of (i) injury to or death of any Person or damage to property in or upon any property of the Institution financed or refinanced, directly or indirectly, out of Bond proceeds or the occupation, use, possession or condition of such property or any part thereof

or relating to the foregoing, (ii) any violation of any law, ordinance or regulation affecting such property or any part thereof or the ownership, occupation, use, possession or condition thereof, (iii) the issuance and sale of the Bonds or any of them, (iv) the execution and delivery of the Agreement or of the Bond Indenture or of any document executed or approved by an Institution required thereby or in furtherance of the transactions contemplated thereby, (v) the performance of any act required of any indemnitee under the Agreement or of the Bond Indenture or in furtherance of the transactions contemplated thereby or (vi) the presence, disposal, escape, seepage, leakage, spillage, discharge, emission, release, or threatened release of any Hazardous Materials on, from, or affecting the Property or any other property, or any personal injury (including wrongful death) or property damage (real or personal) arising out of or related to such Hazardous Materials, or any lawsuit brought or threatened, settlement reached, or government order relating to such Hazardous Materials in connection with the Property, or any violation of laws, orders, regulations, requirements or demands of government authorities, which are based upon or in any way related to such Hazardous Materials including, without limitation, the costs and expenses of any remedial action, attorney and consultant fees, investigation and laboratory fees, court costs and litigation expenses. The Institution will also indemnify, defend and hold harmless the Bond Trustee, the Reserve Fund Trustee, any Paying Agent, the Authenticating Agent and the Registrar and any Person serving as a director, officer, employee, agent or consultant of any of them in such Person's capacity as such from and against the Institution's Allocable Share of all claims, liabilities, losses, damages, costs, expenses (including attorneys' fees), suits and judgments arising out of events described in the foregoing clauses (i),(ii), (iv), (v), (vi) and clause (iii) with respect to the initial issuance and sale of the Series 2025A Bonds by the Authority to the Original Purchasers and arising out of actions taken by the Bond Trustee, any Paying Agent, the Authenticating Agent and the Registrar pursuant to its duties and responsibilities under the Bond Indenture or arising out of the actions taken by the Reserve Fund Trustee pursuant to the Reserve Fund Resolution; provided, however, that in no event shall the Institution be called upon to indemnify or hold harmless the aforementioned indemnitees for a sum in excess of its allocable share of such claim.

(c) The Authority shall promptly, upon receipt of notice of the existence of a claim or the commencement of a proceeding regarding which indemnity under the Agreement may be sought, notify the Institution in writing thereof. If such a proceeding is commenced against the Authority, the Institution may participate in the proceeding and, to the extent it elects to do so, may assume the defense thereof with counsel satisfactory to the Authority. If, however, the Authority is advised in an Opinion of Counsel that there may be legal defenses available to it which are different from or in addition to those available to the Institution, or if the Institution fails to assume the defense of such proceeding or to employ such counsel for that purpose (reasonably acceptable to the Institution) within a reasonable time after notice of commencement of the proceeding, the Institution shall not be entitled to assume the defense of the proceeding on behalf of the Authority, but shall be responsible for the reasonable fees, costs and expenses of the Authority in conducting its defense. (Section 5.06)

Limitation of Authority's Liability. No obligation of the Authority under or arising out of the Agreement, or any document executed by the Authority in connection with any Property of the Institution financed or refinanced, directly or indirectly, out of Bond proceeds or the issuance, sale or delivery of any Bonds shall impose, give rise to or be construed to authorize or permit a debt or pecuniary liability of, or a charge against the general credit of, the Authority, the State or any political subdivision of the State, but each such obligation shall be a limited obligation of the Authority payable solely from the Pledged Revenues. (Section 5.07)

Information. (a) The Institution agrees, whenever requested by the Authority, and at the time or times requested by the Authority, to provide and certify or cause to be provided and certified such information concerning the Institution, its finances and operations, including, but not limited to, its annual audited financial statements, and other topics as the Authority reasonably considers necessary to enable the Authority (i) to accomplish the sale of the Bonds at the time when such securities are to be offered for sale, (ii) to enable counsel to the Authority, Bond Counsel and counsel to the Original Purchasers of the Bonds to issue their opinions and otherwise advise the Authority or the Original Purchasers as to the transaction or the capacity of the parties to enter into the same, (iii) to provide adequate information to prospective purchasers of the Bonds, governmental agencies or information repositories necessary to satisfy, in the Authority's discretion, then existing disclosure requirements for the resale of the Bonds in the secondary market, including, but not limited to, the requirements of Section 6.08 of the Original Indenture, Section 6.01 of the Supplemental Indenture and Rule 15c2-12 under the Securities Exchange Act of 1934, as amended, or (iv) to enable the Authority to make any reports required by law, governmental regulation or the Bond Indenture.

(b) If the Institution shall become a Material Obligated Person pursuant to the Supplemental Indenture, it shall comply with the disclosure requirements set forth in Section 6.01(ii) and (iii) of the Supplemental Indenture to the same extent as if such provisions were set forth in full in the Agreement. (Section 5.12)

Permitted Encumbrances. (a) The Institution covenants that, except as described by paragraph (b) below, the Institution shall not create, permit to be created, or suffer to be created, any Lien upon any of the Institution's Property now owned or hereafter acquired.

(b) Permitted Encumbrances shall include only the following:

(1) the mortgage to the Authority created upon the Facility by the Agreement, if any;

(2) the security interest to the Authority created upon the Equipment by the Agreement, if any;

(3) the security interest to the Authority created upon the Gross Receipts by the Agreement, if any;

(4) any Lien upon the Facility or Gross Receipts only if and to the extent that such portion of the Facility or Gross Receipts has been or could have been released as a Permitted Release under the Agreement;

(5) any Lien upon Property only if and to the extent that such Property could have been disposed of as a Permitted Disposition under the Agreement;

(6) any Lien upon the Facility or Gross Receipts given to secure Subordinated Indebtedness that is by its terms specifically junior and subordinate, as the case may be, to the mortgage on the Facility, security interest in the Equipment, and security interest in the Gross Receipts given by the Institution to the Authority under the Agreement;

(7) any Lien upon Property (other than Current Assets) that is not part of the Facility, without limitation;

(8) any Lien in the form of a purchase money mortgage or security interest given to secure Permitted Debt described in Section 5.18(b)(9), (10) or (21) of the Agreement;

(9) any Lien arising by reason of good faith deposits with the Institution in connection with leases of real estate or personalty, bids or contracts (other than contracts for the payment of money), deposits by the Institution to secure public or statutory obligations, or to secure, or given in lieu of, surety, stay or appeal bonds, and deposits as security for the payment of taxes or assessments or other similar charges;

(10) any Lien arising by reason of deposits with, or the giving of any form of security to, any captive insurance company, 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 or administrative regulation as a condition to the transaction of any business or the exercise of any privilege or license, or to enable the Institution, an Affiliate or other related Person to maintain self-insurance or to participate in any funds established to cover any insurance risks or in connection with worker's compensation, unemployment insurance, pension or profit sharing plans or other social security, or to share in the privileges or benefits required for companies participating in such arrangements;

(11) any Lien in the form of a judgment lien or notice of pending action against the Institution so long as such judgment or pending action is being contested and execution thereon is stayed or while the period for responsive pleadings has not lapsed;

(12) any choate or inchoate Lien in the form of (A) rights reserved to or vested in any municipality or public authority by the terms of any right, power, franchise, grant, license, permit or provision of law, affecting any Property, to (1) terminate such right, power, franchise, grant, license or permit, provided that the exercise of such right would not materially impair the use of such Property or materially and adversely affect the value thereof, or (2) purchase, condemn, appropriate or recapture, or designate a purchaser of, such Property; (B) any liens on any Property for taxes, assessments, levies, fees, water and sewer rents, and other governmental and similar charges and any liens of mechanics, materialmen, laborers, suppliers or vendors for work or services performed or materials furnished in connection with such Property, which are not due and payable or which are not delinquent or which, or the amount or validity of which, are being contested and execution thereon is stayed or, with respect to liens of mechanics, materialmen and laborers, have been due for less than one-hundred twenty (120) days or, in the aggregate, secure claims of less than $200,000; (C) easements, rights-of-way, servitudes, restrictions and other minor defects, encumbrances, and irregularities in the title to any Property which do not materially impair the use of such Property or materially and adversely affect the value thereof; and (D) 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;

(13) any Lien described in Schedule D (Pre-Existing Permitted Encumbrances) of the applicable Agreement which is existing on the date of authentication and delivery of the Series 2025A Notes, including renewals or refinancings thereof, provided that no such Lien may be extended or modified to apply to any Property of the Institution not subject to such Lien on such date, unless such Lien as so extended or modified otherwise qualifies as a Permitted Encumbrance under the Agreement;

(14) any Lien (other than a Lien on Property which is part of the Facility, on Gross Receipts or on Accounts Receivable) securing Non-Recourse Indebtedness;

(15) with the prior written consent of the Authority, which consent shall not be unreasonably withheld, any Lien on Property (other than a Lien on Property which is part of the Facility) acquired by the Institution if the assumption of the Indebtedness, if any, secured by the Lien by the Institution is Permitted Debt permitted under the provisions of the Agreement, and if an Officer's Certificate is delivered to the Authority and the Bond Trustee certifying that (A) the Lien and the Indebtedness, if any, secured thereby were created and incurred by a Person other than the Institution prior to the acquisition of such Property by the Institution, (B) the Lien was created prior to the decision of the Institution to acquire the Property and was not created for the purpose of enabling the Institution to avoid the limitations of the Agreement on creation of Liens on Property of the Institution and (C) the Lien attaches solely to the Property acquired and such Lien does not by its terms extend, automatically or otherwise, to the other Property of the Institution;

(16) any Lien on Property, other than a Lien on the Property described in the following paragraph, if, prior to the creation of such Lien or the acquisition of Property subject to such Lien an Officer's Certificate is delivered to the Authority and the Bond Trustee stating that (A) after giving effect to the Lien, the Value of the Property which is Encumbered in accordance with this paragraph will not exceed fifteen percent (15%) of the Value of the Property, Plant and Equipment and Current Assets of the Institution as of the end of the Historic Test Period (giving effect to the receipt of any gifts or grants by the

Institution); and (B) the creation of the proposed Lien will not adversely affect the repayment of any Notes issued under the Agreement;

(17) with the prior written consent of the Authority, which consent shall not be unreasonably withheld, any Lien on inventory, Accounts Receivable, or Gross Receipts, which Lien secures either Short-Term Indebtedness incurred in compliance with the provisions of the Agreement or Non-Recourse Indebtedness incurred in compliance with the provisions of the Agreement if, prior to the creation of such Lien or the acquisition of Property subject to such Lien an Officer's Certificate is delivered to the Authority and the Bond Trustee stating that after giving effect to the Lien, the Value of the Property which is subject to such Lien will not exceed, at the election of the Institution, the greater of either (A) fifteen percent (15%) of the Value of the Property, Plant and Equipment and Current Assets of the Institution as of the end of the Historic Test Period or (B) seventy-five percent (75%) of the aggregate net Accounts Receivable of the Institution as of the end of the Historic Test Period;

(18) any Lien representing rights of setoff and banker's liens with respect to funds on deposit in a financial institution in the ordinary course of business;

(19) any Lien on Property received by the Institution through gifts, grants or bequests, such Liens being due to restrictions on such gifts, grants or bequests of Property or the income thereon;

(20) with the prior written consent of the Authority, which consent shall not be unreasonably withheld, any Lien in favor of the holder or holders of Alternate Debt on a parity basis with the Liens and pledges in favor of the Authority created by the Agreement;

(21) any Lien in favor of a trustee on the proceeds of Indebtedness prior to the application of such proceeds;

(22) any Lien, in the case of a hospital or nursing home, on moneys deposited by patients or others with the Institution as security for or as prepayment for the cost of patient care;

(23) any Lien, in the case of a hospital or nursing home, due to rights of third-party payors for recoupment of amounts paid to the Institution;

(24) any Lien relating to the leasing of furniture, fixtures and/or equipment in the ordinary course of business;

(25) any Lien securing Completion Indebtedness incurred pursuant to the terms of the Agreement;

(26) any Lien, in the case of a hospital or nursing home, representing statutory rights of the United States of America by reason of federal funds made available under 42 U.S.C. §291 et seq. and similar rights under other federal and state statutes;

(27) any Lien on Accounts Receivable securing or deemed to secure any Indebtedness incurred in accordance with the Agreement; such Lien shall be entitled to a parity position with the Lien on Accounts Receivable created by the Agreement. (Section 5.14)

Permitted Dispositions. (a) The Institution covenants that, except for Permitted Dispositions described in paragraph (b) below, the Institution shall not sell, lease, remove, transfer, assign, convey or otherwise dispose of any of the Institution's Property.

(b) Permitted Dispositions shall include only the following:

(1) the disposition of Property if the Value of such Property disposed of in any one Fiscal Year is less than the greater of five percent (5%) of the Value of the Property, Plant and Equipment at the close of the immediately preceding Fiscal Year or five percent (5%) of the Value of Property, Plant and Equipment as shown in the audited financial statements of the Institution for its fiscal year ended or ending in 2025, without limitation;

(2) with the prior written consent of the Authority, which consent shall not be unreasonably withheld, the disposition of Property if the Value of such Property disposed of in any one Fiscal Year equals or exceeds the greater of five percent (5%) of the Value of the Property, Plant and Equipment at the close of the immediately preceding Fiscal Year or five percent (5%) of the Value of Property, Plant and Equipment as shown in the audited financial statements of the Institution for its fiscal year ended or ending in 2025; provided, however, that (i) the Institution certifies to the Authority and the Bond Trustee that such disposal shall not decrease the scope of the Facility so that the Facility becomes inadequate for the requirements of the Institution or the Authority, (ii) the proceeds of such disposition are utilized by the Institution to purchase or obtain Property (including Current Assets) of similar value to the disposed Property or are transferred to the Redemption Account and used for the redemption of Bonds, and (iii) an Officer's Certificate is delivered to the Authority and the Bond Trustee to the effect that the Long-Term Debt Service Coverage Ratio for the Future Test Period, after giving effect to such disposition, will be at least equal to 1.25;

(3) the disposition of Land that is unused or surplus upon which none of the Project, the Buildings or the Equipment is situated;

(4) with the prior written consent of the Authority, which consent shall not be unreasonably withheld, disposition of Property that is not part of the Facility and that does not generate Gross Receipts, based upon an Officer's Certificate in form satisfactory to the Authority and the Bond Trustee; provided that the Institution certifies to the Authority and the Bond Trustee that either (i) the Long-Term Debt Service Coverage Ratio for the Future Test Period, after giving effect to such disposition, will be at least equal to 1.50; (ii) the Long-Term Debt Service Coverage Ratio for the Future Test Period, after giving effect to such disposition, will not decrease from what it had been prior to such disposition and will be at least equal to 1.25; or (iii) the Property disposed of has a current Value of less than the greater of ten percent (10%) of the Value of the Property, Plant and Equipment at the close of the immediately preceding Fiscal Year or ten percent (10%) of the Value of Property, Plant and Equipment as shown in the audited financial statements of the Institution for its fiscal year ended or ending in 2025;

(5) with the prior written consent of the Authority, which consent shall not be unreasonably withheld, the disposition of all or any portion of Property to an Affiliate; provided that: (i) prior to the effective date of such disposition, the Authority and the Bond Trustee shall have been provided with an Opinion of Bond Counsel to the effect that such disposition is not in contravention of the Act and will not adversely affect the exemption from federal or State income tax of the interest paid or payable on the Bonds; (ii) the transferee shall assume in writing, and the Institution shall retain, all of the obligations of the Institution under the Agreement; (iii) prior to the effective date of such disposition, the Authority and the Bond Trustee shall have been provided with an Opinion of Counsel to the effect that the security interest in the Gross Receipts and in the Equipment (which is not the subject of such disposition) created under this Agreement, and the mortgage lien

on the Facility (which is not the subject of such disposition) created under the Agreement, shall not be adversely affected; (iv) prior to the effective date of such disposition, such transferee shall have pledged its gross revenues to the Authority to the effect that such revenues are treated as Gross Receipts; (v) all covenants, agreements and obligations set forth in the Agreement shall be implemented and administrated on a consolidated basis between the Institution and such transferee; (vi) the Institution and the Affiliate certify to the Authority and the Bond Trustee that immediately subsequent to such disposition neither the Institution nor the Affiliate shall be in default of any of the covenants, agreements and obligations set forth in the Agreement; and (vii) an Opinion of Counsel shall be delivered to the Authority to the effect that the assumption by the Affiliate of all covenants, agreements and obligations in the Agreement shall be valid and binding and enforceable in accordance with its terms to the extent of the Value of the Property transferred; such opinion may be qualified only to the extent that enforceability may be limited by bankruptcy, insolvency, and other laws affecting creditors' rights or remedies heretofore or hereafter enacted and by general principles of equity;

(6) with the prior written consent of the Authority, which consent shall not be unreasonably withheld, the disposition of all or any portion of Property to another entity, whether or not such other entity is an Affiliate; provided that: (i) prior to the effective date of such disposition, the Authority and the Bond Trustee shall have been provided with an Opinion of Bond Counsel to the effect that such disposition is not in contravention of the Act and will not adversely affect the exemption from federal or State income tax of the interest paid or payable on the Bonds; (ii) the transferee shall assume in writing, and the Institution shall retain, all of the obligations of the Institution under the Agreement; (iii) prior to the effective date of such disposition, the Authority and the Bond Trustee shall have been provided with an Opinion of Counsel to the effect that the security interest in the Gross Receipts and in the Equipment (which is not the subject of the disposition) created under the Agreement, and the mortgage lien on the Facility (which is not the subject of the disposition) created under the Agreement, shall not be adversely affected; (iv) prior to the effective date of such disposition, such transferee shall have pledged its gross revenues to the Authority to the effect that such revenues are treated as Gross Receipts; (v) all covenants, agreements and obligations set forth in the Agreement shall be implemented and administrated on a consolidated basis between the Institution and such transferee; (vi) prior to the effective date of such disposition, the Authority and the Bond Trustee shall have been provided with (A) a Consultant's opinion, certificate or report to the effect that the Long-Term Debt Service Coverage Ratio of the Institution would have been at least 1.25 for the Historic Test Period, with the Long-Term Debt Service Coverage Ratio calculated as if the disposition had occurred at the beginning of such Historic Test Period, or (B) a Consultant's opinion, certificate or report to the effect that the projected Long-Term Debt Service Coverage Ratio of the Institution for the Future Test Period is (1) greater than 1.30 during the Future Test Period, or (2) equal to or greater than the projected Long-Term Debt Service Coverage Ratio for the Institution during the Future Test Period, assuming such disposition would not have occurred; (vii) the Institution and such other entity certify to the Authority and the Bond Trustee that immediately subsequent to such disposition neither the Institution nor such other entity shall be in default under any of the covenants, agreements or obligations set forth in the Agreement; and (viii) an Opinion of Counsel shall be delivered to the Authority to the effect that the assumption by the other entity of all covenants, agreements and obligations in the Agreement shall be valid and binding and enforceable in accordance with its terms to the extent of the Value of the Property transferred; such opinion may be qualified only to the extent that enforceability may be limited by bankruptcy, insolvency, and other laws affecting creditors' rights or remedies heretofore or hereafter enacted and by general principles of equity;

(7) the disposition of Property in the case of any proposed or potential condemnation or taking for public or quasi-public use of the Property or any portion

thereof, provided that the proceeds of any such condemnation or taking shall be applied in the manner set forth in the Agreement;

(8) with the prior written consent of the Authority, which consent shall not be unreasonably withheld, the disposition of Property to any Person if prior to the sale, lease, removal or other disposition there is delivered to the Authority and the Bond Trustee an Officer's Certificate stating that in the judgment of the signer such Property has, or within the next succeeding twenty-four (24) calendar months is reasonably expected to, become inadequate, obsolete, worn out, unsuitable, unprofitable, undesirable or unnecessary and the sale, lease, removal or other disposition thereof will not impair the structural soundness, efficiency or economic value of the remaining Property;

(9) the disposition of Property in the ordinary course of business;

(10) the disposition of Property (other than Current Assets) that does not constitute part of the Facility of the Institution, without limitation;

(11) the disposition of Property if such Property is replaced promptly by other Property of comparable utility or worth;

(12) the disposition of Property if the Institution receives fair market value therefor and the proceeds of such disposition are applied to the purchase of additional capital assets, applied to the defeasance, discharge, redemption or retirement of Indebtedness or deposited into a depreciation reserve fund;

(13) the disposition of Property to any Person, provided that prior to the sale, lease, removal or other disposition any one of clause (A) through (D) of the Transaction Test shall have been satisfied; provided, that in calculating the Transaction Test, income or other revenues derived from the Property to be sold, leased, removed or otherwise disposed of shall not be included;

(14) the disposition of Property constituting the sale, assignment or other disposition of Accounts Receivable to a Person, including an Affiliate, provided that the transaction is commercially reasonable and for consideration deemed fair and adequate in an Officer's Certificate delivered to the Authority and the Bond Trustee; and

(15) the disposition or transfer of Land, Buildings or other Property (other than cash, investments and Current Assets) to an Affiliate; provided that such Land, Buildings or other Property (other than cash, investments and Current Assets) are not at the time of such disposition part of, or necessary to, or, in the reasonable judgment of the Institution evidenced by an Officer's Certificate appropriate for, the operation of the primary facilities of the Institution. (Section 5.15)

Permitted Acquisitions. (a) The Institution covenants that, except for Permitted Acquisitions described in paragraph (b) of below, the Institution shall not acquire, by any means, any asset which upon its acquisition will become Property, the acquisition of which will, or is anticipated to, increase the average annual Operating Expenses of the Institution during the Future Test Period by more than twenty percent (20%) over the average annual Operating Expenses of the Institution during the Historic Test Period.

(b) Permitted Acquisitions shall include only the following:

(1) the acquisition of Property with the proceeds of Bonds, Alternate Debt, or Permitted Debt or as part of a Permitted Reorganization;

(2) with the prior written consent of the Authority, which consent shall not be unreasonably withheld, the acquisition of any Property; provided that:

(i) in the case of the acquisition of any existing Property which was in operation during the Historic Test Period immediately preceding the proposed date of acquisition and with respect to which books of account were maintained setting forth (or from which may be derived) revenues and expenses with respect to such Property, a Consultant's opinion, report or certificate is delivered to the Authority and the Bond Trustee to the effect that the Long-Term Debt Service Coverage Ratio of the Institution for such Historic Test Period, after taking into account the revenues and expenses with respect to such Property as shown on or derived from the books of account relating to such Property as if the proposed acquisition had occurred at the beginning of such Historic Test Period, would have been at least 1.25; or

(ii) in the case of the acquisition of any Property, there is delivered to the Authority and the Bond Trustee (A) an Officer's Certificate to the effect that for the Historic Test Period, the Long-Term Debt Service Coverage Ratio of the Institution, based upon its books of account, was not less than 1.75, or (B) a Consultant's opinion, report or certificate to the effect that for the Future Test Period, the Long-Term Debt Service Coverage Ratio of the Institution is projected to be either greater than 1.30 or greater than the projected Long-Term Debt Service Coverage Ratio of the Institution for the Future Test Period if such acquisition is not undertaken;

(3) the acquisition of any unencumbered Current Asset. (Section 5.16)

Permitted Releases. (a) The Authority and the Institution covenant that, except for Permitted Releases described in paragraph (b) below, the Authority and the Institution shall not release any of the Facility from the mortgage lien created by the Agreement, or any of the Gross Receipts or any of the Equipment from the security interest created by the Agreement (and the Authority shall release from such lien and/or security interest any Property released pursuant to a Permitted Release).

(b) Permitted Releases shall include only the following:

(1) a release made with respect to the Facility or Gross Receipts or other Property in which the Institution has granted a lien or security interest to the Authority that is to be disposed of in conjunction with a Permitted Disposition;

(2) with the prior written consent of the Authority, which consent shall not be unreasonably withheld, a release made with respect to the Facility or Gross Receipts that are permitted to be disposed of, but in fact are not to be disposed of, in accordance with the provisions of the Agreement relating to Permitted Dispositions;

(3) with the prior written consent of the Authority, which consent shall not be unreasonably withheld, a release made with respect to the Facility or Gross Receipts; provided that:

(i) prior to the effective date of such release, the Authority and the Bond Trustee shall have been provided with an Opinion of Bond Counsel to the effect that, as a legal matter, such release will not adversely affect the exemption from federal or State income tax of the interest paid or payable on the Bonds;

(ii) prior to the effective date of such release, the Authority and the Bond Trustee shall have been provided with an Opinion of Counsel to the effect that the remaining security interest in the Gross Receipts and in the Equipment created under the Agreement, and the remaining mortgage lien on the Facility created under this Agreement shall not be adversely affected; and

(iii) prior to the effective date of such release the Authority and the Bond Trustee shall have been provided with a Consultant's opinion, report or certificate to the effect that the Long-Term Debt Service Coverage Ratio of the Institution would have been at least 1.25 for the Historic Test Period, with the Long Term Debt Service Coverage Ratio calculated as if the release had occurred at the beginning of such Historic Test Period. (Section 5.17)

Permitted Debt. (a) The Institution covenants that, except for Permitted Debt described in paragraph (b) below, the Institution shall not incur Additional Indebtedness, directly, indirectly or contingently.

(b) Permitted Debt shall include only the following:

(1) with the prior written consent of the Authority, which consent shall not be unreasonably withheld, Alternate Debt;

(2) with the prior written consent of the Authority, which consent shall not be unreasonably withheld, Additional Indebtedness owed to the Authority incurred by the Institution to secure Additional Bonds of the Authority; provided that the Institution evidences satisfaction of the requirements for the incurrence of Alternate Debt under the Agreement or Long-Term Indebtedness under the Agreement;

(3) Permitted Guarantees;

(4) any Indebtedness represented by a letter of credit reimbursement agreement or other similar reimbursement agreement entered into by the Institution and a financial institution providing either a liquidity or credit support with respect to any other Indebtedness incurred in accordance with any other provision of this paragraph;

(5) with the prior written consent of the Authority, which consent shall not be unreasonably withheld, Additional Indebtedness secured by a Permitted Encumbrance described in Section 5.14(b) (4) or (5) of the Agreement; provided that such Additional Indebtedness incurred pursuant to this subsection (5) shall be in an aggregate amount (such aggregate amount in the case of a lease or rental obligation shall equal the aggregate rent discounted to present value attributable to the noncancellable portion of the lease payable over the term of the lease discounted for the portion of rent which represents interest computed in accordance with generally accepted accounting principles) which does not in the aggregate at any time of computation exceed ten percent (10%) of the Income Available for Debt Service of the Institution for the Historic Test Period;

(6) Additional Indebtedness, other than, and in addition to, that described in clause (5) above, in an amount which does not in the aggregate at any time of computation exceed ten percent (10%) of the Income Available for Debt Service of the Institution for the Historic Test Period;

(7) interim Additional Indebtedness with respect to the Project for which money is available therefor in the Construction Fund;

(8) any Indebtedness (or obligations not for borrowed money), which Indebtedness or obligation is not generally treated as indebtedness, such as contributions for employee benefit plans, social security alternative plans, self-insurance programs, captive insurance companies and unemployment insurance liabilities;

(9) Additional Indebtedness secured by purchase money mortgages or purchase money security interests for the purpose of acquiring Property which constitutes capital assets for the Institution and the term of which does not exceed the useful life of such Property; provided, however, that before such Permitted Debt may be incurred the Institution shall deliver to the Authority and the Bond Trustee, a Consultant's opinion, report or certificate showing that the average annual Long-Term Debt Service Coverage Ratio for the Historic Test Period, as adjusted to include average annual interest payable on such Permitted Debt and depreciation to be taken on the Property being acquired during the Future Test Period, shall not be less than 1.30;

(10) with the prior written consent of the Authority, which consent shall not be unreasonably withheld, Long-Term Indebtedness (except that the consent of the Authority shall not be required under clause (i) below), if prior to incurrence of the Long-Term Indebtedness, there is delivered to the Authority and the Bond Trustee:

(i) Evidence that at least one of the components of the Transaction Test shall have been satisfied; or

(ii) An Officer's Certificate (A) to the effect that the total principal amount of Long-Term Indebtedness to be incurred at such time, when added to the aggregate principal amount of all other Long-Term Indebtedness theretofore issued pursuant to this clause (ii) and then Outstanding, will not exceed fifteen percent (15%) of the Operating Revenues of the Institution for the Historic Test Period and (B) projecting that the provisions of Section 5.22 of the Agreement shall be complied with for the Future Test Period, taking into consideration projected revenues and the proposed Indebtedness. Any Long-Term Indebtedness or portion thereof incurred under this subsection which is Outstanding at any time shall be deemed to have been incurred under one of clause (A) through (D) of the definition of Transaction Test if at any time subsequent to the incurrence thereof there shall be filed with the Authority and the Bond Trustee an Officer's Certificate to the effect that such Outstanding Indebtedness or portion thereof would satisfy such other provision, specifying such other provision, and thereupon the amount deemed to have been incurred and to be Outstanding under this subsection (10)(ii) shall be deemed to have been reduced by such amount and to have been incurred under such other provision. If the terms of such other provision require a Consultant's opinion, report or certificate, such opinion, report or certificate, shall also be obtained and filed with the Authority and the Bond Trustee;

(11) Completion Indebtedness, to the extent that there is submitted to the Authority and the Bond Trustee a certificate of an Architect to the effect that the net proceeds of such proposed Completion Indebtedness, other than amounts required to be deposited into any Debt Reserves, is needed for the completion of the construction or equipping of the facilities in question;

(12) with the prior written consent of the Authority, which consent shall not be unreasonably withheld, Long-Term Indebtedness incurred for the purpose of refunding, including advance refunding, any Outstanding Long-Term Indebtedness; provided that there is delivered to the Authority and the Bond Trustee an Officer's Certificate to the

effect that either (i) such refunding will not increase Maximum Annual Debt Service by more than ten percent (10%) during the years that the Indebtedness to be refunded would have been Outstanding but for such proposed refunding or (ii) such refunding will result in a present value savings in the Long-Term Debt Service Requirement;

(13) any Indebtedness not mentioned in any other subsection of this Section incurred in the ordinary course of business;

(14) Short-Term Indebtedness, provided that immediately after the incurrence of such Indebtedness the aggregate Outstanding principal amount of all such Short-Term Indebtedness does not exceed the greater of (i) sixty (60) days' Operating Expenses of the Institution for the Historic Test Period, (ii) fifteen percent (15%) of the aggregate of Operating Revenues of the Institution for the Historic Test Period, or (iii) seventy-five percent (75%) of the aggregate net Accounts Receivable of the Institution as of the end of the Historic Test Period; provided that for a period of at least thirty (30) days in each Fiscal Year, the principal amount of all such Indebtedness shall be reduced to not in excess of the greater of seven (7) days' Operating Expenses of the Institution for the Historic Test Period or five percent (5%) of the aggregate of Operating Revenues of the Institution for the Historic Test Period, unless there is filed with the Authority and the Bond Trustee an Officer's Certificate to the effect that such Short-Term Indebtedness, because of changes in law or regulations, must or reasonably should remain Outstanding in excess of such seven (7) days' or five percent (5%) limitation. Short-Term Indebtedness may also be incurred if such Short-Term Indebtedness could be incurred under the Agreement hereof assuming it were Long-Term Indebtedness;

(15) Non-Recourse Indebtedness, in a principal amount Outstanding at any one time not in excess of fifteen percent (15%) of Operating Revenues for the Historic Test Period, which Non-Recourse Indebtedness is: (i) secured by a Lien on Property which is part of the Property, Plant and Equipment which Lien is created in compliance with the provisions of Section 5.14(b) (16) or (17) of the Agreement; or (ii) secured by a Lien on Property which is inventory or pledges of gifts or grants to be received in the future without limit, provided that such gifts or grants shall be excluded from the calculation of Income Available for Debt Service so long as such Indebtedness is Outstanding;

(16) Subordinated Indebtedness; provided that no such Subordinated Indebtedness shall result in an increase in Annual Debt Service of the Institution by more than twenty percent (20%) during the Future Test Period (on an average annual basis) over Annual Debt Service during the Historic Test Period;

(17) with the prior written consent of the Authority, which consent shall not be unreasonably withheld, Balloon Indebtedness, provided that (i)(A) the final maturity of such Balloon Indebtedness is more than eighteen (18) months from the date of its incurrence or the date of any calculation in respect of such Balloon Indebtedness or (B) the Institution has obtained a commitment on commercially reasonable terms from a financial institution providing for the refinancing of such Balloon Indebtedness over a period of at least thirty-six (36) months; and (ii) the conditions to the incurrence of Indebtedness described in Section 5.18(b)(10) hereof are satisfied assuming, at the option of the Institution, that (w) such Indebtedness will be amortized over (I) twenty (20) years, if such debt matures twenty (20) or more years after the date of calculation, (II) the remaining term to maturity, if such term is less than twenty (20) years from the date of calculation, or (III) the term of refinancing if such debt is subject to a binding commitment for the refinancing of such debt, in each case with level annual debt service, at a rate of interest equal to that derived from the Bond Index, as determined by an Officer's Certificate, (x) such Indebtedness will be amortized during the term to the maturity thereof by deposits made by the Institution to a sinking fund therefor pursuant to the terms of such Indebtedness or in accordance with a sinking fund schedule therefor established by resolution of the

Governing Body of the Institution adopted at or subsequent to the time of the incurrence of such Indebtedness, as certified in an Officer's Certificate, provided that, at the time of such calculation, all deposits required to have been made into such sinking fund prior to such date shall have been made, (y) the principal of such Indebtedness is due and payable on the due date thereof, or in the case of Balloon Indebtedness payable at the option of the holder thereof, on the date on which such Indebtedness may first be tendered for payment by the holder thereof, or (z) the principal of and interest on such Indebtedness is due and payable at the times and in the amounts specified in the refinancing commitment therefor, if any, referred to in clause (i)(B) above, and that the interest rate thereon equals the interest rate specified in such refinancing commitment; provided, however, that the provisions of clause (w) immediately above or, in the case of Balloon Indebtedness payable at the option of the holder, clause (x) immediately above may be implemented only in the event that (I) such Balloon Indebtedness to be incurred (together with all other Balloon Indebtedness) is in a principal amount not in excess of five percent (5%) of Operating Revenues for the Historic Test Period, or (II) the Institution has obtained a commitment on commercially reasonable terms from a financial institution providing for the refinancing of such Balloon Indebtedness over a period of at least sixty (60) months;

(18) Indebtedness in the form of a borrowing from an Affiliate, from any foundation affiliated with the Institution or from any restricted funds of an Affiliate;

(19) Long-Term Indebtedness incurred (i) not in connection with any other Indebtedness at such time being incurred, and (ii) primarily for the purpose of funding any Debt Reserves, other than a Debt Reserve created in connection with an advance refunding or a cross-over refunding;

(20) Indebtedness in the form of a guaranty or confirmation of liability of an Affiliate incurred directly or indirectly with respect to a self-insurance or captive insurance program benefitting the Institution;

(21) Indebtedness in the form of installment purchase contracts, leases, purchase money mortgages, loans, sale agreements or other borrowing instruments; provided that the aggregate Annual Debt Service on the Indebtedness permitted under this clause (21) shall not in any Fiscal Year exceed two and one-half percent (2.5%) of total Operating Revenues for the Historic Test Period;

(22) Indebtedness incurred or deemed incurred by virtue of any recourse obligation associated with any sale or assignment of Accounts Receivable, but in no event in an amount in excess of the monetary consideration received from any such sale or assignment. (Section 5.18)

Permitted Guarantees. (a) The Institution covenants that, except for Permitted Guarantees described in paragraph (b) below, the Institution shall not guarantee the payment of Indebtedness of third parties (other than by endorsement for collection or deposit of checks or drafts or by the guaranty of third party loans to patients).

(b) Permitted Guarantees, to the extent permitted by law, shall include only the following:

(1) with the prior written consent of the Authority, which consent shall not be unreasonably withheld, the Guaranty of Indebtedness if such Guaranty could then be incurred by the Institution as Indebtedness, as Alternate Debt, Long-Term Indebtedness, Short-Term Indebtedness, or as Balloon Indebtedness under the Agreement, in each case, if elected by the Institution, taking the following sentence into account. For purposes of any covenants or computations provided for in this clause (1), the aggregate annual principal and interest payments on, and the principal amount of, any indebtedness of a

Person which is the subject of a Guaranty under the Agreement and which would, if such obligation were incurred by the Institution, constitute Long-Term Indebtedness, shall be deemed equivalent to twenty percent (20%) of the actual Annual Debt Service on, and principal amount of, such indebtedness (assuming the definitions of the Agreement apply to such Indebtedness), so long as such Guaranty constitutes a contingent liability under generally accepted accounting principles, provided, however, that the Annual Debt Service on, and principal amount of, any Long-Term Indebtedness represented by a Guaranty shall be deemed equivalent to all of the actual Annual Debt Service, and principal amount of, such Indebtedness, if a payment has been made by the Institution on such Guaranty within three (3) years of the date of any computation to be made under this clause (1) (assuming the definitions of the Agreement apply to such Indebtedness). Also for purposes of any covenants or computations provided for in the Agreement, the aggregate annual principal and interest payments on, and principal amount of, any Short-Term Indebtedness represented by a Guaranty of obligations of a Person shall be deemed equivalent to the actual principal and interest payments on the Indebtedness which is the subject of the Guaranty (assuming the definitions in the Agreement apply to such Indebtedness). (Section 5.19)

Permitted Reorganizations. (a) The Institution covenants that, except for Permitted Reorganizations described in paragraph (b) below, the Institution shall not merge, consolidate or participate in a reorganization with any other corporation.

(b) Permitted Reorganizations shall include only the following:

(1) with the prior written consent of the Authority, which consent shall not be unreasonably withheld, a merger, consolidation or reorganization in which (i) either the Institution will be the continuing corporation, or the successor corporation shall be a corporation organized and existing under the laws of the United States of America or a state thereof and such corporation shall expressly assume the due and punctual payment of the principal of and premium, if any, and interest on all Outstanding Notes according to their tenor, and the due and punctual performance and observance of all of the covenants and conditions of the Agreement by a supplement satisfactory to the Authority and the Bond Trustee, executed and delivered to the Authority and the Bond Trustee by such corporation; (ii) the Institution immediately after such merger, consolidation or reorganization would not be in default in the performance or observance of any covenant or condition contained in the Agreement; (iii) the Transaction Test shall have been satisfied; and (iv) there shall have been delivered to the Authority and the Bond Trustee, an Opinion of Bond Counsel, in form and substance satisfactory to the Authority and the Bond Trustee, to the effect that under then existing law the consummation of such merger, consolidation or reorganization would not adversely affect the validity of the Bonds or the exemption from federal income taxation of interest payable on such Bonds.

(c) In case of any such consolidation, merger or reorganization and upon any such assumption by the successor corporation, such successor corporation shall succeed to and be substituted for its predecessor, with the same effect as if it had been named in the Agreement as the Institution. Such successor corporation thereupon may cause to be signed, and may issue in its own name Notes under the Agreement. All Outstanding Notes so issued by such successor corporation under the Agreement shall in all respects have the same legal rank and benefit under the Agreement as Outstanding Notes theretofore or thereafter issued in accordance with the terms of the Agreement as though all of such Notes had been issued thereunder by the Institution without any such consolidation, merger or reorganization having occurred.

(d) In case of any such consolidation, merger or reorganization such changes in phraseology and form (but not in substance) may be made in Notes thereafter to be issued as may be appropriate.

(e) The Authority and the Bond Trustee shall receive an Opinion of Counsel as conclusive evidence that any such consolidation, merger or reorganization, and any such assumption, complies with the provisions

of this section and that it is proper for the Authority under the provisions of the Agreement described by this section and the provisions of the Agreement governing amendments and supplements to join in the execution of the supplement to the Agreement described by this section. (Section 5.20)

Alternate Debt. (a) The Institution, with the prior written consent of the Authority (which consent may, but is not required to, be given if all of the conditions described by this section are met) may incur Alternate Debt by borrowing money from the Authority or other lenders (institutional or otherwise) other than under the Agreement or by assuming debt owing to others, but only as described in this section. Holders of Alternate Debt shall be entitled to a parity position with the Authority as to, and only as to, (i) the full faith and credit of the Institution, including all security provided under the Agreement, (ii) the security interest created by the Agreement in the Gross Receipts, (iii) the security interest created by the Agreement in the Equipment, and (iv) the mortgage lien of the Authority created by the Agreement in the Facility. Any security given by the Institution to holders of Alternate Debt shall also be granted, on a parity, to the Authority as further security for the Bonds. No holder of Alternate Debt, other than the Authority, shall be entitled to any benefit from amounts held under the Bond Indenture or under the Reserve Fund Resolution.

(b) The Institution may incur Alternate Debt only after certifying to the Bond Trustee and the Authority that the conditions precedent to the incurring of such Alternate Debt have been satisfied as set forth in the Agreement. Alternate Debt may be incurred from time to time pursuant to the Agreement for the purpose of (i) paying the costs of completing, making additions to, or improving the Project; (ii) providing extensions, additions, improvements or repairs to the Project or the Facility or any of the Institution's other Property; (iii) providing additional funds for the Reserve Fund created under the Reserve Fund Resolution; or (iv) refinancing any outstanding Alternate Debt or Outstanding Bonds. Whenever the Institution desires to incur Alternate Debt for the purposes described in clauses (i) or (ii) above, it shall cause to be prepared and filed with the Bond Trustee and the Authority the items specified below:

> (1) a certificate of an Institution Representative or an Architect, setting forth the estimated cost of the proposed extensions, additions, repairs or improvements, including an allowance for contingencies, interest during construction and financing costs, the estimated date on which such extensions, additions, repairs or improvements will first be placed in service and the amount, if any, to be provided or already provided by the Institution from other sources toward payment of the costs of such extensions, additions, repairs or improvements and the manner in which such funds will be provided;
>
> (2) a certificate of an Institution Representative, stating that the Institution is not then in default in the performance of any of the covenants, conditions, agreements or provisions contained in the Agreement.

(c) The Institution shall not incur any Alternate Debt for the purposes described in clauses (b)(i) or (ii) above unless at or prior to the incurrence of such Alternate Debt there shall be filed with the Authority and the Bond Trustee, in addition to the certificates required by subsection (b) above, an Officer's Certificate to the effect that (A) the provisions of any one of clause (A) through (D) of the Transaction Test shall have been satisfied; or (B) the Institution's Income Available for Debt Service during the Historic Test Period shall have been equal to at least 120% of Maximum Annual Debt Service and, in the event that the proposed Alternate Debt exceeds 10% of Income Available for Debt Service during the Historic Test Period, the Institution shall have provided a Consultant's opinion, which may be based upon a report as to financial feasibility and any assumptions stated therein, which the Consultant deems to be reasonable, to the effect that the estimated average annual Income Available for Debt Service for the Future Test Period will be at least equal to 120% of Maximum Annual Debt Service. The Institution shall not incur any Alternate Debt for the purpose described in clause (b)(iv) above unless at or prior to the incurrence of such Alternate Debt there shall be filed with the Authority and the Bond Trustee an Officer's Certificate to the effect that (A) the provisions of one of clause (A) through (D) of the Transaction Test shall have been satisfied, or (B) the provisions of Section 5.18(b)(12) of the Agreement shall have been satisfied. (Section 5.21)

Rate Covenant. (a) Except as permitted by the paragraphs below, the Institutions shall, consistent with the purposes and standards of the Institution (as determined in good faith by the Governing Body), use their best reasonable efforts to maintain for each Fiscal Year the ratio of Income Available for Debt Service to Annual Debt

Service at least at 1.20 (unless otherwise agreed to by the Authority for a Series 2025A Institution) or such other ratio as shall be set forth in an Institution's Agreement. If such ratio, as calculated at the end of any Fiscal Year, is below the level specified in the first sentence of this paragraph, the Institution covenants to retain a Consultant, within sixty (60) days after the end of such Fiscal Year, to make recommendations to increase such ratio for subsequent Fiscal Years of the Institution at least to the required level or, if in the opinion of the Consultant the attainment of such level is impracticable, to the highest practicable level. The Institution agrees that it will, to the extent permitted by law, charter, by-laws or contract, follow the recommendations of the Consultant, unless the Governing Body adopts a resolution certifying to the effect that such recommendations are not in the best interests of the Institution and the Holders of the Bonds, and files a certified copy of such resolution with the Bond Trustee and the Authority. So long as the Institution shall retain a Consultant and the Institution shall follow such Consultant's recommendations to the extent permitted by law, charter, by-laws or contract, this section shall be deemed to have been complied with even if such ratio for any subsequent Fiscal Year of the Institution is below the required level, unless such ratio at the end of any Fiscal Year of the Institution is less than 1.00. The Institution shall no longer be required to retain such Consultant if and for so long as such ratio is restored to and maintained at the level specified in the first sentence of this paragraph.

(b) If Law or Regulation Circumstances exist, which prevent compliance with the ratios set forth in the paragraph above, said section shall be deemed satisfied as long as: (i) the Institution maintains for each Fiscal Year the ratio of Income Available for Debt Service to Annual Debt Service at least at 1.00 (unless otherwise agreed to by the Authority for a Series 2025A Institution); (ii) the opinion or report of a Consultant issued with respect to the Law or Regulation Circumstances is received by the Authority and the Bond Trustee within six months of the Institution's failure to maintain the coverage ratio referred to in the paragraph above, and is received at least once during every uninterrupted three year period thereafter that the Institution fails to maintain such ratio; and (iii) an Officer's Certificate is received by the Authority and the Bond Trustee at least once during each year during which the Consultant's opinion or report referred to in clause (ii) above is not received by the Authority and the Bond Trustee, which Officer's Certificate confirms the continued existence of the factual circumstances giving rise to the Law or Regulation Circumstances.

Insurance. The Institution agrees that it will maintain, or cause to be maintained, insurance (including one or more self-insurance programs considered to be adequate under the provisions of the Agreement) covering such risks and in such amounts as, in its reasonable judgment, is adequate to protect it and its Property and operations. The insurance required to be maintained pursuant to the Agreement shall, upon request of the Authority, be subject to the review of an Insurance Consultant every two years, commencing on the last day of the Fiscal Year ending in 2025, and the Institution agrees that it will follow any recommendations of the Insurance Consultant, except to the extent that its Governing Body determines in good faith that such recommendations are unreasonable and delivers an Officer's Certificate to the Authority and the Bond Trustee setting forth the reasons for such determination. The Institution agrees that it will deliver or cause to be delivered to the Authority and the Bond Trustee at or prior to the delivery of the Series 2025A Bonds, and thereafter annually within thirty (30) days after the beginning of the next succeeding Fiscal Year, an Officer's Certificate setting forth a description of the insurance maintained, or caused to be maintained, by the Institution pursuant to this section and then in effect and stating whether such insurance and the manner of providing such insurance and any reductions or eliminations of the amount of any insurance coverage during the annual period covered by such report comply with the requirements of the Agreement and adequately protect the Institution and its Property and operations. Such annual report shall also set forth any recommendations of the Insurance Consultant as to additional insurance, if any, reasonably required (during the period preceding the next such annual report) for the protection referred to in the next preceding sentence in light of available insurance coverage and practice in the community health or social service facility, hospital, nursing home, residential care facility, continuing care retirement community, assisted living facility, community mental health facility, community health center, scene response air ambulance, college or university industry, as applicable, and, if any change shall be made in such insurance as to either amount or type of coverage, a description and notice of such change shall be immediately furnished to the Authority and the Bond Trustee by the Institution. In the event that the Institution fails to maintain any insurance as provided in the Agreement, the Authority may procure and maintain such insurance at the expense of the Institution. All policies and certificates of insurance required by the Agreement shall name the Bond Trustee and the Authority as an additional insured and mortgagee and shall be open to inspection by the Authority and the Bond Trustee at all reasonable times. (Section 5.23)

Reduction and Modification of Insurance Coverage. (a) If the Institution has or hereafter obtains any of the following types of insurance, it must secure the concurrence of an Insurance Consultant before it may

materially reduce or eliminate (other than in the ordinary course of business) the amount of its insurance coverage for the following types of insurance: (i) comprehensive general public liability insurance, including product liability, blanket contractual liability and automobile insurance including owned, non-owned and hired automobiles (excluding collision and comprehensive coverage thereon), (ii) fire, flood, lightning, windstorm, hail, explosion, riot, riot attending a strike, civil commotion, damage from aircraft, smoke and uniform standard coverage and vandalism and malicious mischief endorsements and business interruption insurance covering such perils, (iii) if a community health or social service facility, hospital, nursing home, residential care facility, continuing care retirement community, assisted living facility, community mental health facility, community health center or scene response air ambulance, professional liability or medical malpractice insurance, (iv) worker's compensation insurance, (v) boiler insurance, and (vi) business interruption insurance.

(b) In making its decision whether to concur in such reductions or eliminations the Insurance Consultant may take into account whether the Institution has established an adequate self-insurance program with respect to the risk involved in accordance with subsection (d) below.

(c) Insurance required under the Agreement may be in the form of a blanket insurance policy or policies and in the case of all policies may include additional names of insureds. Required limits of coverage may be provided by so-called "umbrella" coverages.

(d) In lieu of obtaining third-party coverage for the foregoing risks, the Institution may self-insure any of the required coverages (or a portion thereof) except for the coverages described in Section 5.24(a)(ii) and (v) of the Agreement, provided, that if such self-insurance is other than in the ordinary course of business, it delivers to the Authority and the Bond Trustee a report of an Insurance Consultant stating that the Institution's decision to self-insure such risks is consistent with proper management and insurance practices. In addition, as long as the Institution maintains any self-insurance against professional liability, the Institution will upon request by the Authority, but not more frequently than once every two years, provide the Authority and the Bond Trustee with a report of an Insurance Consultant concerning the adequacy of funding and the funding determination processes employed by the Institution for such self-insurance.

(e) The Institution may also arrange insurance coverage through a captive insurance company provided an Insurance Consultant's report indicates that such insurance is consistent with proper management and insurance practices.

(f) In the event that the insurance required by the Agreement is not commercially available and the Institution has chosen not to self-insure against such losses, the Institution shall employ an Insurance Consultant acceptable to the Authority, who shall review the insurance coverage of the Institution and the Property, Plant and Equipment and make recommendations on the types, amounts and provisions of insurance that should be carried. Insurance requirements shall be modified to conform with the recommendations of the Insurance Consultant except as the Authority and the Bond Trustee may authorize deviations from such recommendations. (Section 5.24)

Insurance and Condemnation Proceeds. (a) The Institution may make agreements and covenants with the holders of Indebtedness which is incurred in compliance with the provisions of the Agreement and which is secured by a Permitted Encumbrance with respect to the application or use to be made of insurance proceeds or condemnation awards which may be received in connection with Property which is subject to such Permitted Encumbrance.

(b) After application in accordance with subsection (a) above, remaining amounts received by the Institution as insurance proceeds with respect to any casualty loss or as condemnation awards may be used in such manner as the recipient may determine, including, without limitation, applying such moneys to the payment or prepayment of any Note or Notes in accordance with the terms thereof, subject to compliance with the provisions of the Agreement; provided that if the amount of such proceeds or awards received with respect to any casualty loss or condemnation exceeds ten percent (10%) of the Value of the Property, Plant and Equipment, the Institution agrees that it will promptly remit such proceeds or awards to the Bond Trustee, and the Institution may elect to direct the Bond Trustee to cause such funds to be applied either (i) to the repair, reconstruction, restoration or replacement of the damaged or condemned facility or the purchase of capital equipment or (ii) to the prepayment of Notes issued and

Outstanding, pro-rata among all such Notes. If the Institution elects clause (i) above, any remaining balance of such funds after such repair, reconstruction, restoration or replacement shall be paid to the Institution. (Section 5.25)

Debt Service on Balloon Indebtedness. For purposes of the computation of the Long-Term Debt Service Requirement or Annual Debt Service, whether historic or projected, Balloon Indebtedness shall, at the election of the Institution, be deemed to be Indebtedness which, at the later of the date of its original incurrence or the date of calculation, was payable over (a) twenty (20) years, if such debt matures twenty (20) or more years after the date of calculation, (b) the remaining term to maturity of such Indebtedness, if such term is less than twenty (20) years from the date of calculation, or (c) the term of refinancing if such Indebtedness is subject to a binding commitment for the refinancing of such Indebtedness, in each case with level annual debt service, at a rate of interest equal to that derived from the Bond Index, as determined by an Officer's Certificate. (Section 5.26)

Debt Service on Variable Rate Indebtedness. For purposes of the computation of the projected (but not historic) Long-Term Debt Service Requirement or Annual Debt Service, Variable Rate Indebtedness shall be deemed Indebtedness which bears interest at a rate derived from the Bond Index, all as determined by an Officer's Certificate. (Section 5.27)

Debt Service on Discount Indebtedness. For purposes of the computation of the Long-Term Debt Service Requirement or Annual Debt Service, whether historic or projected, the amount of principal represented by Discount Indebtedness shall, at the election of the Institution, be deemed to be the accreted value of such Indebtedness computed on the basis of a constant yield to maturity. (Section 5.28)

Credit for Debt Reserves. For purposes of the computation of the Long-Term Debt Service Requirement or Annual Debt Service, whether historic or projected, the Institution may subtract from principal due on Indebtedness any Debt Reserves which are available and are actually to be applied to make such principal payment in the year such Indebtedness matures or is redeemed or otherwise retired, at the time of such computation for the period in question.. (Section 5.29)

Credit for Capitalized Interest. For purposes of the computation of the Long-Term Debt Service Requirement or Annual Debt Service, whether historic or projected, the Institution may subtract from interest due on Indebtedness any Capitalized Interest which is available and is to be applied to make such interest payment in the year such interest comes due, at the time of such computation for the period in question. (Section 5.30)

State Funding Intercept. The Institution acknowledges the State Funding Intercept provisions set forth in Section 2076 of the Act, and agrees to cooperate with the Authority in the event that the Authority determines, in the Authority's sole discretion, to implement such State Funding Intercept provisions with respect to the Institution. In particular, the Institution covenants that it shall promptly establish a joint account with the Authority (the "Joint Account"), to be held by a financial institution acceptable to the Authority and the Institution, and into which Joint Account all money received from the State shall be deposited, on and after the Authority's implementation of the State Funding Intercept provisions with respect to the Institution. The withdrawal of money from the Joint Account shall require the signature of the Authority and the Institution, but in compliance with such signature requirement the Institution shall, promptly upon establishment of the Joint Account, irrevocably file its signature on multiple blank withdrawal forms with the Authority, which the Authority agrees may not be utilized by the Authority to withdraw money from the Joint Account unless and until the earlier of either (i) the Authority determines to implement the State Funding Intercept provisions, or (ii) an Agreement Event of Default shall have occurred. If after the Authority's implementation of the State Funding Intercept provisions, the Authority in its sole discretion determines to suspend or terminate the implementation of such provisions, then the deposits to the Joint Account need not be made unless and until the Authority again determines to implement such provisions.

The Authority and the Institution acknowledge that the provisions of this Section 5.31 relating to the State Funding Intercept and to the Joint Account are not, and are not to be deemed to constitute, a lien, pledge, encumbrance or security interest on or in any revenues or receipts of the Institution granted or suffered to exist by the Institution. To the extent that, notwithstanding the preceding sentence, the State Funding Intercept or the Joint Account or both are considered by a court or other competent governmental body to constitute such a lien, pledge, encumbrance or security interest on or in any revenues or receipts of the Institution, then the Authority and the Institution acknowledge that any such lien, pledge, encumbrance or security interest on or in any such revenues or

receipts shall be junior and subordinate to any lien, pledge, encumbrance or security interest on or in any such revenues or receipts specifically granted by the Institution to the Authority from time to time, and further acknowledge that any funds available in the Joint Account or otherwise derived by virtue of the State Funding Intercept shall be applied in a manner consistent with any such prior lien, pledge, encumbrance or security interest granted by the Institution to the Authority. The provisions of this paragraph shall in no way be deemed or interpreted to diminish, reduce or eliminate the Institution's pledge of Gross Receipts to the Authority provided for in the Agreement.

In the event that the Authority implements the State Funding Intercept, it shall, within thirty (30) days after such implementation, give written notice thereof to the Institution and the Bond Trustee.

In the event the implementation of the State Funding Intercept terminates in accordance with the Act, and the Institution is current in the payment of all amounts due under the Agreement and as Note Payments, the balance then on deposit in the Joint Account shall be transferred to the Institution. (Section 5.31)

Events of Default and Remedies

Agreement Events of Default. Each of the following events shall constitute and be referred to herein as an "Agreement Event of Default":

(a) The Institution shall fail to make, within five (5) days of the due date thereof, any payment of the principal of, the premium, if any, and interest on any Note Payment (which shall include all amounts due under Section 4.02 of the Agreement) when and as the same shall become due and payable, whether at maturity, by proceedings for redemption, by acceleration or otherwise, in accordance with the terms thereof.

(b) The Institution shall fail duly to observe or perform any other covenant or agreement on its part under the Agreement or under the Tax Regulatory Agreement for a period of thirty (30) days after the date on which written notice of such failure, requiring the same to be remedied, shall have been given to the Institution by the Authority, the Bond Insurer or the Bond Trustee, or to the Institution, the Authority and the Bond Trustee by Bond Insurer or the holders of at least two-thirds in aggregate principal amount of the Notes then Outstanding. If the breach of covenant or agreement is one which cannot be completely remedied within the thirty (30) days after written notice has been given, it shall not be an Agreement Event of Default as long as (i) the Institution has taken active steps within the thirty (30) days after written notice has been given to remedy the failure and is diligently pursuing such remedy, and (ii) such failure is remedied within sixty (60) days after written notice has been given (or the Bond Insurer has consented in writing to a longer grace period) or, if such failure cannot reasonably be remedied within such sixty (60) days, the Institution continues thereafter to diligently pursue and obtain such remedy.

(c) The Institution shall default in the payment of any Indebtedness for borrowed moneys (other than Notes and other than Guaranties issued and Outstanding under the Agreement which are, and other than any other Indebtedness which is, Non-Recourse Indebtedness), which Indebtedness is in a principal amount in excess of one percent (1%) of Operating Revenues of the Institution, whether such Indebtedness now exists or shall hereafter be created, and any period of grace with respect thereto shall have expired where the effect of such default is to accelerate the maturity of such Indebtedness or to permit the holders thereof (or a trustee on behalf of such holders) to cause such Indebtedness to become due prior to its stated maturity, or an event of default as defined in any mortgage, indenture or instrument, under which there may be issued or by which there may be secured or evidenced, any Indebtedness, whether such Indebtedness now exists or shall hereafter be created, shall occur, provided, however, that such default shall not constitute an Agreement Event of Default within the meaning of this Section if within thirty (30) days, or within the time allowed for service of a responsive pleading if any proceeding to enforce payment of the Indebtedness is commenced, whichever is longer, (i) the Institution in good faith commences proceedings to contest the existence or payment of such Indebtedness, and either (ii) sufficient moneys or other adequate security are escrowed with a bank or trust company for the payment of such Indebtedness, or (iii) enforcement of such Indebtedness shall be stayed.

(d) The entry of a decree or order by a court having jurisdiction in the premises adjudging the Institution a bankrupt or insolvent, or approving as properly filed a petition seeking reorganization, arrangement, adjustment or composition of or in respect of the Institution under the Federal Bankruptcy Code or any other applicable federal or State law, or appointing a receiver, liquidator, assignee, or sequestrator (or other similar official) of the Institution or of any substantial part of its Property, or ordering the winding up or liquidation of its affairs, and the continuance of any such decree or order unstayed and in effect for a period of sixty (60) consecutive days.

(e) The commencement by the Institution of proceedings to be adjudicated a bankrupt or insolvent, or the consent by it to the commencement of bankruptcy or insolvency proceedings against it, or the filing by it of a petition or answer or consent seeking reorganization or relief under the Federal Bankruptcy Code or any other similar applicable federal or State law, or the consent by it to the filing of any such petition or to the appointment of a receiver, liquidator, assignee, trustee or sequestrator (or other similar official) of the Institution or of any substantial part of its Property, or the making by it of an assignment for the benefit of creditors, or the admission by it in writing of its inability to pay its debts generally as they become due.

Upon having actual notice of the existence of an Agreement Event of Default, the Authority or the Bond Trustee shall serve written notice thereof upon the Institution unless the Institution has expressly acknowledged the existence of such Agreement Event of Default in a writing delivered by the Institution to the Authority or the Bond Trustee or filed by the Institution in any court. (Section 6.01)

Remedies in General; Statutory Power of Sale. Upon the occurrence and during the continuance of any Agreement Event of Default, the Authority or the Bond Trustee on behalf of the Authority may take such action as the Authority or the Bond Trustee deem necessary or appropriate to collect amounts due under the Agreement, to enforce performance and observance of any obligation or agreement of the Institution under the Agreement or to protect the interests securing the same, and may, without limiting the generality of the foregoing and in accordance with applicable law:

(a) Exercise any or all rights and remedies given by the Agreement or available under the Agreement or given by or available under any other instrument of any kind securing the Institution's performance under the Agreement.

(b) Take any action at law or in equity to collect the Note Payments then due, whether on the stated due date or by declaration of acceleration or otherwise, for damages or for specific performance or otherwise to enforce performance and observance of any obligation, agreement or covenant of the Institution under the Agreement.

(c) Apply to a court of competent jurisdiction for the appointment of a receiver (but only in the case of an Agreement Event of Default not described in Section 6.01(b) or (c) of the Agreement) of any or all of the property of the Institution, such receiver to have such powers as the court making such appointment may confer. The Institution consents and agrees, and will if requested by the Bond Trustee consent and agree at the time of application by the Bond Trustee for appointment of a receiver, to the appointment of such receiver and that such receiver may be given the right, power and authority, to the extent the same may lawfully be given, to take possession of and operate and deal with such property and the revenues, profits and proceeds therefrom, with like effect as the Institution could do so, and to borrow money and issue evidences of indebtedness as such receiver.

In the event of any Agreement Event of Default and during the continuation thereof, the Authority, in addition to any other right or remedies it may have at law or equity, shall have the right to and may enter into the Facility without being liable for any prosecution or damages therefor and may dispossess the Institution and may lease the Facility or any part thereof to another party for a term which may extend beyond the term of the Agreement, and receive the rent therefor, upon such terms as shall be satisfactory to the Authority. Such entry by the Authority shall not operate to release the Institution from any sums to be paid or covenants to be performed under the Agreement during the full term of the Agreement. In addition, the Institution agrees that the receipt of rents, awards, and any other moneys or evidences of the Agreement, and any disposition of the same by the Authority shall not constitute a

waiver of the right of foreclosure and sale of the Facility by the Authority or the Bond Trustee in the case of an Agreement Event of Default.

For the purpose of leasing the Facility to another party, the Authority shall be authorized to make such repairs or alterations in or to the Facility as the Authority may deem necessary to place the same in good order and condition. The Institution shall be liable to the Authority for the cost of such repairs or alterations and all expenses of such leasing. If the sum realized or to be realized from the leasing is insufficient to satisfy the sum payable by the Institution under the Agreement, the Authority, at its option, may require the Institution to pay such deficiency month by month, or may hold the Institution liable in advance for the entire deficiency to be realized during the term of the leasing of the Facility. Notwithstanding such entry by the Authority, the Institution agrees that any utility service (including heat) furnished to the Facility by the Institution prior to such entry shall continue to be furnished by the Institution to the Facility at the expense of the Institution.

The Agreements which include mortgage provisions are predicated upon the condition that all covenants and agreements shall be fully performed, and upon an Agreement Event of Default and during the continuation thereof, the Authority shall have the right of foreclosure and any and all other rights and remedies given to a mortgagee and secured party under the law of the State, the Agreement and any instrument it secures. The Agreement is given primarily for a business, commercial or agricultural purpose, and therefore, the Authority shall have "THE STATUTORY POWER OF SALE" pursuant to Section 501-A of Title 33 of the Maine Revised Statutes Annotated, as amended, which POWER is expressly incorporated in the Agreement by reference. Such STATUTORY POWER OF SALE shall be in addition to all rights and remedies set forth in the Agreement or available under applicable law. Upon any Agreement Event of Default, the Authority or its agent or attorney, may sell the Facility or such portion thereof as may remain subject to the Agreement in case of any partial release thereof, either as a whole or in parcels, together with all improvements that may be thereon, by a public sale on or near any part of the Facility then subject to the Agreement or at some placed in the municipality or at the Authority's principal place of business or at any other office of the Authority or any attorney or agent thereof located in the same county in which any part of the Facility is located, first complying with the terms of the Agreement and the statutes relating to the foreclosure of a mortgage by the exercise of a POWER OF SALE, and the Authority may convey the same by proper deed or deeds to the purchaser or purchasers absolutely and in fee simple; and such sale shall forever bar the Institution and all Persons claiming under it from all right and interest in the Facility whether at law or in equity. In exercising any power of sale under this section, it is agreed that a parcel may consist wholly of real estate, wholly of tangible personal property or any combination of both.

All rights and remedies in the Agreement given or granted to the Authority are cumulative, non-exclusive and in addition to any and all rights and remedies that the Authority may have or be given by reason of any law, statute, ordinance or otherwise. Without limiting the generality of the foregoing, the Authority shall have all rights and remedies of a secured party under the Maine Uniform Commercial Code (as in effect at the time such rights or remedies are exercised) with respect to (i) the Equipment, (ii) any fixtures or tangible personal property which are or may become part of the Facility, and (iii) the Gross Receipts. The Authority may deal with such as collateral under said Code or as part of the Facility mortgage under the Agreement or in part one and in part the other. Notice in accordance with Section 7.10 of the Agreement, mailed to the Institution at least fifteen (15) days before any proposed realization upon such collateral shall constitute reasonable notification of such event under said Uniform Commercial Code. (Section 6.02)

Miscellaneous

Amendments and Supplements. The Agreement may be amended, changed or modified only as provided in Article IX of the Bond Indenture. (Section 7.01)

APPENDIX D

May 15, 2025

Maine Health and Higher
Educational Facilities Authority
127 Community Drive
Augusta, Maine 04330

Ladies and Gentlemen:

We have examined a record of proceedings relating to the issuance of $78,140,000 Revenue Bonds, Series 2025A (the "Bonds") of the Maine Health and Higher Educational Facilities Authority (the "Authority"), a public body corporate and politic of the State of Maine.

The Bonds are issued under and pursuant to the Maine Health and Higher Educational Facilities Authority Act, Chapter 413 of Title 22, Sections 2051 to 2077, inclusive, of the Maine Revised Statutes Annotated, as it may be amended from time to time (the "Act"), and under and pursuant to a bond resolution of the Authority adopted on March 21, 2025, as amended on April 23, 2025 (collectively, the "Bond Resolution"), the resolution establishing the Maine Health Facilities' Reserve Fund adopted on December 6, 1991 (the "Reserve Fund Resolution") and a Bond Indenture, dated as of April 1, 1995 (the "Original Bond Indenture") and the Sixty-Third Supplemental Bond Indenture, dated as of May 1, 2025 (the "Sixty-Third Supplemental Indenture", and together with the Original Bond Indenture, the "Bond Indenture"), both by and between the Authority and U.S. Bank Trust Company, National Association, as successor Bond Trustee (the "Bond Trustee").

The Bonds are dated their date of delivery and bear interest from such date at the rates per annum payable on January 1, 2026 and semiannually thereafter on each January 1 and July 1 and mature on July 1 in the years and in the respective principal amounts as follows:

Year	Amount	Interest Rate	Year	Amount	Interest Rate
2026	$1,250,000	5.000%	2037	$2,940,000	5.000%
2027	1,805,000	5.000	2038	3,095,000	5.000
2028	1,900,000	5.000	2039	3,245,000	5.000
2029	1,990,000	5.000	2040	3,410,000	5.000
2030	2,095,000	5.000	2041	2,945,000	5.000
2031	2,195,000	5.000	2042	3,090,000	5.000
2032	2,310,000	5.000	2043	3,235,000	5.000
2033	2,420,000	5.000	2044	3,405,000	5.000
2034	2,545,000	5.000	2045	3,575,000	5.000
2035	2,675,000	5.000	2050	11,050,000	5.000
2036	2,800,000	5.000	2055	14,165,000	5.250

The Bonds are subject to redemption prior to maturity upon the terms and conditions provided therein, in the Bond Resolution and in the Bond Indenture. The Bonds are in the form of fully-registered bonds in the denomination of $5,000 and integral multiples thereof and are numbered separately from R-1 upward in order of issuance.

We have also examined an executed copy of each Loan Agreement and Mortgage, dated as of May 1, 2025, as supplemented (as applicable) (collectively, the "Agreements") between the Authority and the institutions

named therein (such institution borrowing a portion of the proceeds of the Bonds is referred to herein as an "Institution" and collectively, the "Institutions"). The applicable Institution has agreed in its Agreement, among other things, to make payments to the Authority in amounts and at the times stated therein which will be applied, together with funds available under the Reserve Fund Resolution, to pay the principal of, redemption premium, if any, and interest on the Institution's allocable share of the Bonds when due.

The Authority reserves the right to issue additional bonds on the terms and conditions and for the purposes stated in the Bond Indenture. Under the provisions of the Bond Indenture all such bonds will rank equally as to security with the Bonds.

We are of the opinion that:

(1) The Authority is duly created and validly existing under the provisions of the Act and has good right and lawful authority to utilize proceeds of the Bonds to assist the Institutions in the financing and refinancing of the Projects (as defined in the Agreements), and to establish and maintain payments, fees or charges in respect thereof and collect revenues therefrom and to perform all obligations of the Authority under the Bond Resolution, the Reserve Fund Resolution and the Bond Indenture in those respects.

(2) The Authority has the right and power under the Act to adopt the Bond Resolution and the Reserve Fund Resolution, and the Bond Resolution and the Reserve Fund Resolution have been duly and lawfully adopted by the Authority, are in full force and effect and are valid and binding upon the Authority and enforceable in accordance with their terms, and no other authorization for the Bond Resolution or the Reserve Fund Resolution is required. The Bond Resolution, the Reserve Fund Resolution and the Bond Indenture create the valid pledge which they purport to create of the Pledged Revenues (as defined in the Agreements) and all income and receipts earned on funds held or set aside under the Bond Indenture and the Reserve Fund Resolution, subject only to the application thereof to the purposes and on the conditions permitted by the Bond Indenture and the Reserve Fund Resolution, as the case may be.

(3) The Authority is duly authorized and entitled to issue the Bonds and the same have been duly and validly authorized and issued by the Authority in accordance with the Constitution and statutes of the State of Maine, including the Act, and the Bond Resolution, the Reserve Fund Resolution and the Bond Indenture, and constitute valid, binding, special obligations of the Authority, enforceable in accordance with their terms and the terms of the Bond Resolution, the Reserve Fund Resolution and the Bond Indenture and entitled to the benefits of the Act and of the Bond Resolution, the Reserve Fund Resolution and the Bond Indenture.

(4) The Agreements have been duly authorized, executed and delivered by the Authority and, assuming due authorization, execution and delivery by the Institutions, constitute valid and legally binding agreements by and between the parties thereto, enforceable in accordance with their terms.

(5) The Bond Indenture has been duly authorized, executed and delivered by the Authority and, assuming due authorization, execution and delivery by the Bond Trustee, constitutes a valid and legally binding agreement by and between the parties thereto, enforceable in accordance with its terms.

(6) Under existing statutes and court decisions and assuming continuing compliance with certain tax covenants described below, (i) interest on the Bonds is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) interest on the Bonds is not treated as a preference item in calculating the alternative minimum tax under the Code; however, interest on the Bonds is included in "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. In rendering our opinion, we have relied on certain representations, certifications of fact, and statements of reasonable expectations made by the Authority, the Institutions, and others in connection with the Bonds, and we have assumed compliance by the Authority and the Institutions with certain ongoing covenants to comply with applicable requirements of the Code to assure the exclusion of interest on the Bonds from gross income under Section 103 of the Code.

The Code establishes certain ongoing requirements that must be met subsequent to the issuance and delivery of the Bonds in order that interest on the Bonds be and remain excluded from gross income under Section 103 of the Code. These requirements include, but are not limited to, requirements relating to use and expenditure of gross proceeds of the Bonds, yield and other restrictions on investments of gross proceeds, and the arbitrage rebate requirement that certain excess earnings on gross proceeds be rebated to the federal government. Noncompliance with such requirements may cause interest on the Bonds to become included in gross income for federal income tax purposes retroactive to their issue date, irrespective of the date on which such noncompliance occurs or is discovered. The Authority and the Institutions have covenanted to comply with certain applicable requirements of the Code to assure the exclusion of interest on the Bonds from gross income under Section 103 of the Code.

On the date of delivery of the Bonds, the Authority, the Institutions and the Bond Trustee will execute a Tax Regulatory Agreement (the "Tax Regulatory Agreement") containing provisions and procedures pursuant to which such requirements can be satisfied. In executing the Tax Regulatory Agreement, the Authority and the Institutions covenant that they will comply with the provisions and procedures set forth therein and that they will do and perform all acts and things necessary or desirable to assure that interest paid on the Bonds will, for federal income tax purposes, be excluded from gross income.

In rendering the opinion in paragraph 6 hereof, we have relied upon and assumed (i) the material accuracy of the representations, statements of intention and reasonable expectation, and certifications of fact contained in the Tax Regulatory Agreement with respect to matters affecting the status of interest paid on the Bonds, and (ii) compliance by the Institutions with the procedures and covenants set forth in the Tax Regulatory Agreement as to such tax matters.

(7) Under existing statutes, interest on the Bonds is exempt from the State of Maine income tax imposed on individuals.

(8) The Authority is authorized and under the Reserve Fund Resolution has covenanted and is obligated to cause to be made by its Executive Director and delivered to the Governor of the State annually, on or before December 1, his certificate as provided for by the Act, stating the amount, if any, required to restore the Reserve Fund (as defined in the Reserve Fund Resolution) to the amount of the Reserve Fund Requirement (as defined in the Reserve Fund Resolution).

(9) Section 2075 of the Act (i) does not bind or obligate the State to appropriate and pay to the Authority in any future year the amount duly certified to the Governor by the Executive Director of the Authority as necessary to restore the Reserve Fund to the Reserve Fund Requirement, the language of such Section being permissive only, but there is no constitutional bar to future Legislatures making such appropriations for such purposes if they elect to do so, and (ii) does not constitute a loan of credit of the State or create an indebtedness on the part of the State, in violation of the provisions of Article IX, Section 14, of the Constitution of the State.

We express no opinion as to any other federal, state or local tax consequences arising with respect to the Bonds, or the ownership or disposition thereof, except as stated in paragraphs 6 and 7 above. We render our opinion under existing statutes and court decisions as of the date hereof, and assume no obligation to update, revise or supplement our opinion to reflect any action hereafter taken or not taken, any fact or circumstance that may hereafter come to our attention, any change in law or interpretation thereof that may hereafter occur, or for any other reason. We express no opinion as to the consequence of any of the events described in the preceding sentence or the likelihood of their occurrence. In addition, we express no opinion on the effect of any action taken or not taken in reliance upon an opinion of other counsel regarding federal, state or local tax matters, including, without limitation, exclusion from gross income for federal income tax purposes of interest on the Bonds.

In rendering our opinion, we have relied on the opinions of counsel to the Institutions, regarding, among other matters, the current qualification of the Institutions as organizations described in Section 501(c)(3) of the Code. We note that the opinions of counsel to such Institutions are subject to a number of qualifications and limitations. Failure of such Institutions to be organized and operated in accordance with the Internal Revenue Service's requirements for the maintenance of such Institutions' status as organizations described in Section 501(c)(3) of the Code may result in interest on the Bonds being included in gross income for federal income tax purposes, possibly from the date of issuance of the Bonds.

The foregoing opinions are qualified only to the extent that the enforceability of the Bonds, the Bond Resolution, the Reserve Fund Resolution, the Bond Indenture, the Tax Regulatory Agreement and the Agreements may be limited by bankruptcy, insolvency, and other laws affecting creditors' rights or remedies heretofore or hereafter enacted.

We have examined an executed Bond, and in our opinion the form of said Bond and its execution are regular and proper.

Very truly yours,

APPENDIX E

SPECIMEN MUNICIPAL BOND INSURANCE POLICY

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ASSURED GUARANTY®

MUNICIPAL BOND INSURANCE POLICY

ISSUER: Policy No.: -N

BONDS: $ in aggregate principal amount of Effective Date:

Premium: $

ASSURED GUARANTY INC. ("AG"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") (as set forth in the documentation providing for the issuance of and securing the Bonds) for the Bonds, for the benefit of the Owners or, at the election of AG, 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 Business Day next following the Business Day on which AG shall have received Notice of Nonpayment, AG will disburse to or for the benefit of each Owner of a Bond the face amount of principal of and interest on the Bond that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by AG, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of the 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 AG. 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 AG is incomplete, it shall be deemed not to have been received by AG for purposes of the preceding sentence and AG shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, who may submit an amended Notice of Nonpayment. Upon disbursement in respect of a Bond, AG shall become the owner of the Bond, any appurtenant coupon to the Bond or right to receipt of payment of principal of or interest on the Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under the Bond, to the extent of any payment by AG hereunder. Payment by AG to the Trustee or Paying Agent for the benefit of the Owners shall, to the extent thereof, discharge the obligation of AG under this Policy.

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 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 AG 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 of principal or interest that is Due for Payment made to an Owner by or on behalf of the Issuer which has been recovered from such Owner pursuant to the United States Bankruptcy Code by a trustee in bankruptcy in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means telephonic or telecopied notice, subsequently confirmed in a signed writing, or written notice by registered or certified mail, from an Owner, the Trustee or the Paying Agent to AG which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount and (d) the date such claimed amount 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 or any person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

AG may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee and the Paying Agent 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 and the Paying Agent, (a) copies of all notices required to be delivered to AG pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to AG and shall not be deemed received until received by both and (b) all payments required to be made by AG under this Policy may be made directly by AG or by the Insurer's Fiscal Agent on behalf of AG. The Insurer's Fiscal Agent is the agent of AG only and the Insurer's Fiscal Agent shall in no event be liable to any Owner for any act of the Insurer's Fiscal Agent or any failure of AG to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, AG 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 AG to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy.

This Policy sets forth in full the undertaking of AG, 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, (a) 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 and (b) this Policy may not be canceled or revoked. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW.

In witness whereof, ASSURED GUARANTY INC. has caused this Policy to be executed on its behalf by its Authorized Officer.

ASSURED GUARANTY INC.

By _____
Authorized Officer

1633 Broadway, New York, N.Y. 10019 (212) 974-0100

Form 500 (8/24)

MAINE HEALTH AND HIGHER EDUCATIONAL FACILITIES AUTHORITY • REVENUE BONDS, SERIES 2025A

MHHEFA

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