
THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE CITY OF YUMA, ARIZONA

and

YUMA REGIONAL MEDICAL CENTER

LOAN AGREEMENT

Dated as of December 1, 2023

relating to

[\$[PAR AMOUNT]]
The Industrial Development Authority of the City of Yuma, Arizona
Hospital Revenue Bonds
(Yuma Regional Medical Center)
Series 2023A

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LOAN AGREEMENT

This LOAN AGREEMENT (as from time to time amended or supplemented, this “Loan Agreement”), dated as of December 1, 2023, is between THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE CITY OF YUMA, ARIZONA (the “Authority”), a nonprofit corporation designated a political subdivision of the State of Arizona (the “State”) and incorporated with the approval of the City of Yuma, Arizona (the “City”), and YUMA REGIONAL MEDICAL CENTER, a nonprofit corporation duly organized and existing under the laws of the State of Arizona (together with its successors, the “Corporation”).

W I T N E S S E T H:

WHEREAS, the Authority was duly created and now exists under Title 35, Chapter 5, Arizona Revised Statutes, as amended (the “Act”), and is authorized to make loans for the purpose of financing or refinancing the acquisition, construction, improvement or equipping of projects (as that term is defined in the Act), including property suitable for health care institutions (within the meaning of the Act) and facilities owned or operated by a nonprofit organization described in Section 501(c) of the Code, and is authorized to issue its bonds to provide funds for such financing or refinancing; and

WHEREAS, the Authority previously issued its (i) Variable Rate Hospital Revenue Bonds (Yuma Regional Medical Center), Series 2014B (the “Prior 2014B Bonds”) and (ii) Variable Rate Hospital Revenue Bonds (Yuma Regional Medical Center), Series 2014C (the “Prior 2014C Bonds”) and together with the Prior 2014B Bonds, the “Prior Bonds”), and loaned the proceeds thereof to the Corporation to refinance the acquisition, construction, improvement or equipping of projects for certain facilities of the Corporation; and

WHEREAS, the Corporation has requested that the Authority issue one or more series of its hospital revenue bonds in an aggregate principal amount not to exceed \$[PAR AMOUNT], and make one or more loans of the proceeds thereof to the Corporation to (i) refund the Prior Bonds, and (ii) pay costs of issuance of the Bonds (as defined below); and

WHEREAS, the Authority has authorized the issuance of The Industrial Development Authority of the City of Yuma, Arizona Hospital Revenue Bonds (Yuma Regional Medical Center), Series 2023A (the “Bonds”), in an aggregate principal amount of \$[PAR AMOUNT] and the loan of the proceeds thereof to the Corporation for the purposes set forth in the above recitals; and

WHEREAS, the Authority is authorized under the Act to issue its Bonds for the purposes aforesaid and the Authority has determined that the public interest will be best served by the Authority: (i) issuing the Bonds under a bond indenture, dated as of December 1, 2023 (as from time to time amended or supplemented in accordance with the terms thereof, the “Bond Indenture”) between the Authority and Computershare Trust Company, N.A., as bond trustee (the “Bond Trustee”), and (ii) loaning the proceeds of the Bonds to the Corporation pursuant to this Loan Agreement; and

WHEREAS, the Authority has undertaken to loan the proceeds derived from the sale of the Bonds to the Corporation pursuant to this Loan Agreement, under which the Corporation is

required to make loan payments sufficient to pay when due the principal, Purchase Price and Redemption Price of and interest on the Bonds and certain related expenses; and

WHEREAS, pursuant to a Master Trust Indenture, dated as of April 15, 1997, as amended and supplemented, including by a Supplemental Indenture Number Fourteen, dated as of December 1, 2023 (the “Bond Supplemental Master Indenture,” as so supplemented and amended, the “Original Master Indenture”), between the Corporation and Computershare Trust Company, N.A., as successor master trustee (the “Master Trustee”), the Corporation has issued its Direct Note Obligation, Series 2023A (Hospital Revenue Bonds, Series 2023A) (the “Bond Obligation”) to evidence and secure the obligation of the Corporation and any future Members (as defined in the Master Indenture) to make payments sufficient to pay the principal, Purchase Price and Redemption Price and interest on the Bonds; and

WHEREAS, pursuant to Section 11.19 of the Bond Indenture and Section [] of [Sixteenth] Supplemental Master Indenture], (i) the Original Master Indenture will be amended and restated in the form of the Amended and Restated Master Trust Indenture, dated as of December 1, 2023 (the “Amended and Restated Master Indenture”), between the Corporation and the Master Trustee, which will be effective, following the issuance of the Bonds, on the date of issuance of the Bonds (the “Date of Issuance”), (ii) the Holders, by purchasing the Bonds, will be deemed to have irrevocably consented to the amendments to the Original Master Indenture set forth in the Amended and Restated Master Indenture, and (iii) all references herein to the Master Indenture shall upon such Date of Issuance, following the issuance of the Bonds and the execution and delivery of the Amended and Restated Master Indenture, be references to the Amended and Restated Master Indenture, as it may be further supplemented and amended from time to time; and

WHEREAS, on the Date of Issuance, the Bonds will be purchased by JPMorgan Chase Bank, National Association (including its permitted successors and assigns, the “Initial Direct Purchaser”), and the Corporation and the Initial Direct Purchaser will enter into a Continuing Covenant Agreement, dated as of the December 1, 2023 (as amended, supplemented, modified or restated from time to time, the “Bondholder Agreement”); and

WHEREAS, the Authority and the Corporation have each duly authorized the execution, delivery and performance of this Loan Agreement for the purpose of specifying the terms and conditions of a loan by the Authority to the Corporation of the proceeds of the Bonds for the purposes described in the above recitals and of the payment by the Corporation to the Authority of amounts sufficient for the payment of the principal, Purchase Price and Redemption Price of and interest on the Bonds and certain related expenses;

NOW, THEREFORE, in consideration of the premises and the mutual covenants herein contained, the parties hereto hereby agree as follows:

ARTICLE I DEFINITIONS

Section 1.01 Definitions. Unless the context otherwise requires, the capitalized terms in this Loan Agreement shall have the meanings set forth in the Bond Indenture.

Section 1.02 Interpretation.

(a) Unless the context otherwise indicates, words expressed in the singular shall include the plural and vice versa and regardless of the referenced gender, pronouns shall include Persons of every kind and character.

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

(c) All references to “Articles,” “Sections” and other subdivisions of this Loan Agreement are to the designated Articles, Sections and other subdivisions of this Loan Agreement. The words “herein,” “hereof,” “hereby,” “hereunder” and words of similar import refer to this Loan Agreement as a whole.

Section 1.03 Contents of Certificates and Opinions. Every certificate or opinion provided for in this Loan Agreement with respect to compliance with any provision hereof shall to the extent applicable include: (1) a statement that the Person making or giving such certificate or opinion has read such provision and the definitions herein relating thereto; (2) a brief statement as to the nature and scope of the examination or investigation upon which the certificate or opinion is based; (3) a statement that, in the opinion of such Person, such Person has made or caused to be made such examination or investigation as is necessary to enable such Person to express an informed opinion with respect to the subject matter referred to in the instrument to which such Person’s signature is affixed; (4) a statement of the assumptions upon which such certificate or opinion is based, and that such assumptions are reasonable; and (5) a statement as to whether, in the opinion of such Person, such provision has been complied with.

Any such certificate or opinion made or given by an officer of the Authority or an officer or duly Authorized Representative of the Corporation may be based, insofar as it relates to legal, accounting or business matters of either of them, upon a certificate or opinion of or representation by counsel, an accountant, or a management consultant, unless such officer knows, or in the exercise of reasonable care should have known, that the certificate, opinion or representation with respect to the matters upon which such certificate or statement may be based, as aforesaid, is erroneous. Any such certificate or opinion made or given by counsel, an accountant or a management consultant may be based, insofar as it relates to factual matters (with respect to which information is in the possession of the Authority or the Corporation, as the case may be) upon a certificate or opinion of or representation by an officer of the Authority or the Corporation, unless such counsel, accountant or management consultant knows, or in the exercise of reasonable care should have known, that the certificate or opinion or representation with respect to the matters upon which such Person’s certificate or opinion or representation may be based, as aforesaid, is erroneous. The same officer of the Authority or the Corporation, or the same counsel or accountant or management consultant, as the case may be, need not certify to all of the matters required to be certified under any provision of this Loan Agreement, but different officers, counsel, accountants or management consultants may certify to different matters, respectively.

ARTICLE II
REPRESENTATIONS AND WARRANTIES OF THE CORPORATION AND THE
AUTHORITY

Section 2.01 Representations and Warranties of the Corporation. The Corporation makes the following representations and warranties to the Authority as of the date of the execution of this Loan Agreement and as of the date of delivery of the Bonds (such representations and warranties to remain operative and in full force and effect regardless of delivery of the Bonds or any investigations by or on behalf of the Authority or the results thereof):

(a) The Corporation is a nonprofit corporation duly organized, validly existing and in good standing under the laws of the State, with the power to enter into and perform this Loan Agreement, and that by proper corporate action it has duly authorized the execution and delivery of this Loan Agreement.

(b) This Loan Agreement is a valid and binding obligation of the Corporation enforceable in accordance with its terms except as enforceability may be subject to the exercise of judicial discretion in accordance with general equitable principles and to applicable bankruptcy, insolvency, reorganization, moratorium and other laws for the relief of debtors heretofore or hereafter enacted, and that the execution and delivery of this Loan Agreement and the consummation of the transactions contemplated herein will not conflict with or constitute a breach of or default under any bond, indenture, note or other evidence of indebtedness of the Corporation, or any contract, lease or other instrument to which the Corporation is a party or by which it or its properties are bound or cause the Corporation to be in violation of any applicable statute or rule or regulation of any governmental authority which breach, default, or violation would materially and adversely affect the consummation of the transactions contemplated hereby or the ability of the Corporation to perform its obligations hereunder.

(c) The Corporation is not in breach, default, or in violation of any indenture, mortgage, deed of trust, note, loan agreement or instrument which would allow the obligee or obligees thereof to take any action which would materially and adversely affect its performance under this Loan Agreement.

Section 2.02 Representations of the Authority.

(a) The Authority is an entity designated by law as a political subdivision of the State, is authorized to enter into the transactions contemplated by this Loan Agreement and to carry out its obligations hereunder, and has been duly authorized to execute and deliver this Loan Agreement and the Bond Indenture and agrees that it will do or cause to be done all things necessary to preserve and keep in full force and effect its existence.

(b) The issuance and sale of the Bonds, loaning of the proceeds of the Bonds to the Corporation for use by the Corporation for purposes set forth in the recitals hereof, the execution and delivery of this Loan Agreement and the Bond Indenture and the performance of all covenants and agreements of the Authority contained in this Loan Agreement and such other documents and of all other acts and things in connection therewith required under the State Constitution and the laws of the State to make this Loan Agreement and the Bond Indenture and each such other

document a valid and binding obligation enforceable against the Authority in accordance with its terms, except as enforceability may be subject to the exercise of judicial discretion in accordance with general equitable principles and to applicable bankruptcy, insolvency, reorganization, moratorium and other laws for the relief of debtors heretofore or hereafter enacted, are authorized by the Act and have been duly authorized or approved by proceedings of the Authority adopted at meetings thereof duly called and held.

(c) To provide funds for the loan to the Corporation for the purposes described above, the Authority has authorized its Bonds upon the terms set forth in the Bond Indenture.

ARTICLE III
ISSUANCE OF BONDS AND BOND OBLIGATION;
APPLICATION OF PROCEEDS OF BONDS

Section 3.01 Issuance of the Bonds; Application of Proceeds of Bonds; Issuance of Bond Obligation.

(a) Pursuant to the Bond Indenture, the Authority has authorized the issuance of the Bonds in the aggregate principal amount of \$[PAR AMOUNT]. The proceeds of the Bonds shall be applied under the terms and conditions of this Loan Agreement and the Bond Indenture. The Corporation hereby approves the Bond Indenture and the issuance of the Bonds thereunder by the Authority, and the assignment thereunder to the Bond Trustee of the right, title and interest of the Authority in this Loan Agreement (other than those rights specifically retained by the Authority pursuant to the Bond Indenture) and the Bond Obligation.

(b) In consideration of the issuance of the Bonds by the Authority and the application of the proceeds thereof as provided in the Bond Indenture, the Corporation agrees to issue, or cause to be issued, and to cause to be authenticated and delivered to the Authority or its designee, pursuant to the Master Indenture and Bond Supplemental Master Indenture, concurrently with the issuance and delivery of the Bonds, the Bond Obligation in substantially the form set forth in Bond Supplemental Master Indenture. The Authority agrees that the Bond Obligation shall be registered in the name of the Bond Trustee. The Corporation agrees that the aggregate principal amount of the Bond Obligation shall be limited to \$[PAR AMOUNT] except for any Master Note authenticated and delivered in lieu of another Master Note as provided in the Bond Supplemental Master Indenture with respect to the mutilation, destruction, loss or theft of the Bond Obligation or, subject to the provisions of subsection (c) below, upon registration of transfer of the Bond Obligation. Issuance and delivery of the Bonds by the Authority shall be a condition of the issuance and delivery of the Bond Obligation by the Corporation.

(c) The Corporation agrees that, except as provided in subsection (d) of this Section, so long as any Bonds remain Outstanding, the Bond Obligation shall be issuable only as a single obligation without coupons, registered as to principal and interest in the name of the Bond Trustee, and no transfer of the Bond Obligation shall be registered under the Master Indenture or be recognized by the Corporation except for transfers to a successor Bond Trustee.

(d) Upon the principal of all Master Notes Outstanding (within the meaning of that term as used in the Master Indenture) being declared immediately due and payable, the Bond

Obligation may be transferred if and to the extent that the Bond Trustee requests that the restrictions of subsection (c) of this Section on transfers be terminated.

Section 3.02 Disbursements from Costs of Issuance Fund. The Corporation will authorize and direct the Bond Trustee, upon compliance with Section 3.03 of the Bond Indenture, to disburse the moneys in the Costs of Issuance Fund to or on behalf of the Corporation solely for payment of Costs of Issuance. All such payments shall be made upon receipt by the Bond Trustee of a Requisition in the form prescribed by Section 3.03 of the Bond Indenture, signed by an Authorized Representative of the Corporation.

ARTICLE IV LOAN PROCEEDS; REPAYMENT PROVISIONS

Section 4.01 Loan of Bond Proceeds; Loan Repayments.

(a) Pursuant to the Bond Indenture, the Authority has authorized the issuance of the Bonds and hereby loans and advances to the Corporation, and the Corporation hereby borrows and accepts from the Authority (solely from the proceeds of the sale of such Bonds), the proceeds of the Bonds to be applied under the terms and conditions of this Loan Agreement and the Bond Indenture. In consideration of the loan of such proceeds to the Corporation, the Corporation agrees to pay, or cause to be paid, "Loan Repayments" in an amount sufficient to enable the Bond Trustee to make the transfers and deposits required at the times and in the amounts pursuant to Sections 5.03 and 5.04 of the Bond Indenture. Each Loan Repayment shall be made in immediately available funds. Notwithstanding the foregoing, the Corporation agrees to make payments, or cause payments to be made, at the times and in the amounts required to be paid as principal, Purchase Price and Redemption Price of and interest on the Bonds from time to time Outstanding under the Bond Indenture and other amounts required to be paid under the Bond Indenture, as the same shall become due whether at maturity, upon redemption, by declaration of acceleration or otherwise.

(b) Except as otherwise expressly provided herein, all amounts payable hereunder by the Corporation to the Authority shall be paid to the Bond Trustee as assignee of the Authority and this Loan Agreement and all right, title and interest of the Authority in any such payments are hereby assigned and pledged to the Bond Trustee so long as any Bonds remain Outstanding.

(c) Notwithstanding the foregoing provisions of this Section 4.01, the Corporation shall receive credit against Loan Repayments required to be made hereunder on any Interest Payment Date, Sinking Fund Installment date or Maturity Date to the extent that payments are received by the Bond Trustee in an amount sufficient to pay the interest on or principal of the Bonds becoming due and payable on such Interest Payment Date, Sinking Fund Installment date or Maturity Date, respectively, from a drawing on any Credit Facility (if any) pursuant to Section 5.07 of the Bond Indenture.

(d) Notwithstanding the foregoing provisions, the Authority and the Corporation agree, that as further provided in Section 2.02(f) of the Bond Indenture, for so long as the Bonds are owned by the Direct Purchaser, the Corporation will make payments of principal, interest and any other amounts due on the Bonds directly to the Direct Purchaser rather than to the Bond Trustee.

Section 4.02 Additional Payments.

(a) In addition to the Loan Repayments, the Corporation shall also pay to the Authority, the Bond Trustee, the Remarketing Agent (if any), the Liquidity Facility Provider (if any), the Credit Facility Provider (if any) or their respective designated agents, as the case may be, “Additional Payments,” as follows:

(i) All taxes and assessments of any type or character charged to the Authority or to the Bond Trustee affecting the amount available to the Authority or the Bond Trustee from payments to be received hereunder or in any way arising due to the transactions contemplated hereby (including taxes and assessments assessed or levied by any public agency or governmental authority of whatsoever character having power to levy taxes or assessments) but excluding franchise taxes based upon the capital and/or income of the Bond Trustee and taxes based upon or measured by the net income of the Bond Trustee; provided, however, that the Corporation shall have the right to protest any such taxes or assessments and to require the Authority or the Bond Trustee, as the case may be, at the Corporation’s expense, to protest and contest any such taxes or assessments assessed or levied upon them and that the Corporation shall have the right to withhold payment of any such taxes or assessments pending disposition of any such protest or contest unless such withholding, protest or contest would adversely affect the rights or interests of the Authority, the Bond Trustee or the Bondholders;

(ii) All reasonable fees, charges and expenses of the Bond Trustee for services rendered under the Bond Indenture, the reasonable fees, charges, expenses and indemnities of the Remarketing Agent (if any) under the Remarketing Agreement, the Liquidity Facility Provider (if any) under the Liquidity Facility (if any), and the Credit Facility Provider (if any) under the Credit Facility Agreement (if any) and all Administrative Fees and Expenses, as and when the same become due and payable;

(iii) The reasonable fees and expenses of such accountants, consultants, attorneys and other experts as may be engaged by the Authority or the Bond Trustee to prepare audits, financial statements, reports, opinions or provide such other services required under this Loan Agreement, the Master Indenture, the Bond Supplemental Master Indenture, the Bondholder Agreement Supplemental Master Indenture, the Tax Agreement, the Bond Obligation, the Bondholder Agreement Obligation, the Bonds or the Bond Indenture (the Authority and/or the Bond Trustee shall furnish to the Corporation information concerning the proposed fees and expenses of any such experts at the time of engagement of such experts, but the Corporation shall have no approval rights over the retention of such experts); and

(iv) The annual fee of the Authority and the reasonable fees and expenses of the Authority or any agent or attorney selected by the Authority to act on its behalf in connection with this Loan Agreement, the Master Indenture, Bond Supplemental Master Indenture, the Bondholder Agreement Supplemental Master Indenture, the Tax Agreement, the Bond Obligation, the Bondholder Agreement Obligation the Bonds or the Bond Indenture, including, without limitation, any and all reasonable expenses incurred in connection with the authorization, issuance, sale and delivery of any such Bonds or

incurred in connection with any litigation, investigation, inquiry or other proceeding which may at any time be instituted involving this Loan Agreement, the Master Indenture, Bond Supplemental Master Indenture, the Bondholder Agreement Supplemental Master Indenture, the Tax Agreement, the Bond Obligation, the Bondholder Agreement Obligation, the Bonds or the Bond Indenture or any of the other documents contemplated thereby, or incurred in connection with the supervision or inspection of the Corporation, its properties, assets or operations or otherwise in connection with the administration of this Loan Agreement, the Master Indenture, Bond Supplemental Master Indenture, the Bondholder Agreement Supplemental Master Indenture, the Tax Agreement, the Bond Obligation, the Bondholder Agreement Obligation, the Bonds or the Bond Indenture.

(v) Such Additional Payments shall be billed to the Corporation by the Authority, the Bond Trustee, the Remarketing Agent (if any), the Liquidity Facility Provider (if any) or the Credit Facility Provider (if any) from time to time. After such a demand, amounts so billed shall be paid by the Corporation within thirty (30) days after receipt of the bill by the Corporation.

Section 4.03 Credits for Payments. The Corporation shall receive credit against its payments required to be made under Section 4.01, in addition to any credits resulting from payment or repayment from other sources (including payments or prepayments made directly to the Direct Purchaser), as follows:

(a) on installments of interest in an amount equal to moneys deposited in the Interest Fund, which amounts are available to pay interest on the Bonds, to the extent such amounts have not previously been credited against such payments;

(b) on installments of principal in an amount equal to moneys deposited in the Bond Sinking Fund, which amounts are available to pay principal or Sinking Fund Installments of the Bonds, to the extent such amounts have not previously been credited against such payments;

(c) on installments of principal and interest in an amount equal to the principal amount of Bonds for the payment at maturity or redemption of which sufficient amounts (as determined by Section 10.03 of the Bond Indenture) in cash or United States Government Obligations are on deposit as provided in Section 10.03 of the Bond Indenture to the extent such amounts have not previously been credited against such payments, and the interest on such Bonds from and after the date fixed for payment at maturity or redemption thereof. Such credits shall be made against the installments of principal and interest which would have been used, but for such call for redemption, to pay principal of and interest on such Bonds when due or called for mandatory redemption; and

(d) on installments of principal and interest in an amount equal to the principal amount of Bonds acquired by the Corporation and delivered to the Bond Trustee for cancellation or purchased by the Bond Trustee and cancelled, and the interest on such Bonds from and after the date interest thereon has been paid prior to cancellation. Such credits shall be made against the installments of principal and interest which would have been used, but for such cancellation, to pay principal of and interest on such Bonds when due, and with respect to Bonds called for mandatory redemption, against principal installments which would have been used to pay Bonds of the same date.

Section 4.04 Prepayment. The Corporation shall have the right at any time or from time to time to prepay all or any part of the Loan Repayments and the Authority agrees that the Bond Trustee shall accept such prepayments when the same are tendered by the Corporation, and the Bond Trustee shall call for redemption Bonds as directed by the Corporation. The Corporation shall be required to prepay Loan Repayments in the amounts and at the times that Bonds are subject to optional or mandatory redemption pursuant to the Bond Indenture. All such prepayments (and the additional payment of any amount necessary to pay the Redemption Price payable upon the redemption of Bonds) shall be deposited upon receipt at the Corporation's direction in (i) the Bond Sinking Fund or (ii) the Optional Redemption Fund (or in such other Bond Trustee escrow account as may be specified by the Corporation) and, at the request of and as determined by the Corporation, credited against payments due hereunder or used for the redemption or purchase of Outstanding Bonds in the manner and subject to the terms and conditions set forth in the Bond Indenture.

Section 4.05 Payment of Purchase Price. The Corporation agrees that, if a Liquidity Facility or a Credit Facility is not in effect with respect to the Bonds or if the Liquidity Facility Provider or Credit Facility Provider, as applicable, has not paid the full amount required by the Bond Indenture at the times required under the Bond Indenture, it shall pay to the Bond Trustee the Additional Funding Amount, to the extent required pursuant to Section 4.10(d)(iii) of the Bond Indenture. Each such payment by the Corporation to the Bond Trustee pursuant to this Section shall be in immediately available funds and paid to the Bond Trustee at its Corporate Trust Office by 2:45 p.m., New York City time, on each date upon which a payment is to be made pursuant to Section 4.10(d)(iii) of the Bond Indenture.

Section 4.06 Obligations of the Corporation Unconditional; Net Contract. The obligations of the Corporation to make the Loan Repayments, Additional Payments and other payments required hereunder and to perform and observe the other agreements on its part contained herein shall be absolute and unconditional, and shall not be abated, rebated, setoff, reduced, abrogated, terminated, waived, diminished, postponed or otherwise modified in any manner or to any extent whatsoever, while any Bonds remain Outstanding or any Additional Payments or other payments remain unpaid, regardless of any contingency, event or cause whatsoever, including, without limiting the generality of the foregoing, any natural disaster, acts or circumstances that may constitute failure of consideration, eviction or constructive eviction, the taking by eminent domain or destruction of or damage to its facilities, commercial frustration of purpose, any changes in the laws of the United States of America or of the State or any political subdivision of either or in the rules or regulations of any governmental authority, or any failure of the Authority or the Bond Trustee to perform and observe any agreement, whether express or implied, or any duty, liability or obligation arising out of or connected with this Loan Agreement or the Bond Indenture. This Loan Agreement shall be deemed and construed to be a "net contract," and the Corporation shall pay absolutely net the Loan Repayments, Additional Payments and all other payments required hereunder, regardless of any rights of setoff, recoupment, abatement or counterclaim that the Corporation might otherwise have against the Authority or the Bond Trustee or any other party or parties.

ARTICLE V
PARTICULAR COVENANTS

Section 5.01 Consent to Assignment of Loan Agreement Rights to the Bond Trustee. The Corporation acknowledges and consents to the pledge and assignment of this Loan Agreement and the Bond Obligation and payments to be made hereunder (other than those rights specifically retained by the Authority pursuant to the Bond Indenture) and thereunder and of the Authority's rights hereunder to the Bond Trustee pursuant to the Bond Indenture to secure payment of the Bonds and agrees that the Bond Trustee may, on behalf of the owners of the Bonds, enforce the rights, remedies and privileges granted to the Authority hereunder, other than those rights specifically retained by the Authority pursuant to the Bond Indenture, and thereunder.

Section 5.02 Maintenance; Recording; Corporate Reorganization.

(a) The Corporation will, at its expense, take all necessary action to maintain and preserve this Loan Agreement so long as the Bond Obligation is outstanding. The Corporation will, forthwith after the execution and delivery of this Loan Agreement and thereafter from time to time, cause this Loan Agreement and all documents securing the Loan Agreement or any document securing the Bond Obligation and any financing statements in respect thereof to be filed, registered and recorded in such manner and in such places as may be required by law in order to publish notice hereof and thereof and fully to perfect and protect the lien of the Bond Indenture upon the trust estate referred to therein or any part thereof and, from time to time, will perform or cause to be performed any other act as provided by law and will execute or cause to be executed any and all continuation statements and further instruments that may be requested by the Bond Trustee for such publication, perfection and protection. Except to the extent it is exempt therefrom, the Corporation will pay or cause to be paid all filing, registration and recording fees incident to such filing, registration and recording, and all expenses incident to the preparation, execution and acknowledgment of such instruments of further assurance and all federal or state fees and other similar fees, duties, imposts, assessments and charges arising out of or in connection with the execution and delivery of this Loan Agreement, the Bond Obligation and such instruments of further assurance.

(b) Subject to compliance with the applicable provisions of the Master Indenture and the Bondholder Agreement, the Corporation may cause a portion of its operations to be separately incorporated or otherwise organized or reorganized (the "New Entity"), but all such operations, whether separately incorporated or not, shall remain bound by this Loan Agreement and the New Entity shall be liable with respect hereto; provided, however, that prior to effecting any such reorganization, the Corporation shall deliver to the Authority and the Bond Trustee, an (i) opinion of Counsel to the effect that after such reorganization such New Entity will be an Obligated Group Member (as defined in the Master Indenture) and shall be liable under this Loan Agreement and shall be jointly and severally liable under the Bond Obligation and (ii) Opinion of Bond Counsel that such reorganization will not affect the validity of the Bonds or the exclusion from gross income under Section 103 of the Code of interest paid on the Bonds.

Section 5.03 Tax Status and Eligibility for Financing. The Corporation represents and warrants that (i) it is an organization described in Section 501(c)(3) of the Code; (ii) it has received a determination letter from the Internal Revenue Service to that effect; (iii) such letter has not been

adversely modified, limited or revoked; (iv) it is in compliance with all material terms, conditions and limitations, if any, contained in such letter; (v) the facts and circumstances that form the basis of such letter continue substantially to exist as represented to the Internal Revenue Service; (vi) it is not aware of any facts or circumstances that could cause a revocation of that letter; and (vii) it is exempt from federal income taxes under Section 501(a) of the Code, except for unrelated business income subject to taxation. The Corporation agrees that it will not take any action or omit to take any action or cause or permit any circumstance within its control to arise or continue if such action or circumstance or omission would cause any revocation or adverse modification of such federal income tax status unless it first obtains a Favorable Opinion of Bond Counsel, addressed to the Bond Trustee, that such revocation or modification will not, in and of itself, adversely affect the exclusion from gross income under Section 103(a) of the Code of interest paid on the Bonds.

Section 5.04 Tax Covenant. The Corporation covenants and agrees that it will, at all times, do and perform all acts and things permitted by law and this Loan Agreement which are necessary in order to assure that interest paid on the Bonds will be excluded from gross income for federal income tax purposes and will take no action that would result in such interest not being so excluded. Without limiting the generality of the foregoing, the Corporation agrees to comply with the provisions of the Tax Agreement. This covenant shall survive payment in full or defeasance of the Bonds.

Section 5.05 Rebate Payments. The Corporation agrees to comply with the requirements of the Tax Agreement, the provisions in Section 5.09 of the Bond Indenture governing the Rebate Fund and of Section 148 of the Code relating to the rebate of earnings on non-purpose investments to the United States.

Section 5.06 Notice of Internal Revenue Service Audits. The Corporation and the Authority each agree to provide prompt written notice to the other upon receipt of a notice from the Internal Revenue Service that any of the Bonds are being audited or otherwise investigated or that the Internal Revenue Service or another agency on its behalf has requested documents or other information relating to the Bonds.

Section 5.07 Post-Issuance Compliance Undertaking for Bonds.

(a) The Corporation acknowledges that the Internal Revenue Service mandates certain filing requirements with respect to post-issuance tax compliance, private use and/or unrelated trade or business use, including the proper method for computing whether any such use has occurred under Section 145 of the Code. The Corporation covenants that it will undertake to determine (or have determined on its behalf) the information required to be reported on the IRS Form 990 (Schedule K) Supplemental Information on Tax-Exempt Bonds on an annual basis and will undertake to comply with the aforementioned filing requirements and any related requirements that may be applicable to the Bonds (collectively, the “Post-Issuance Requirements”). Further, the Corporation covenants that it has adopted, or, if not, will promptly adopt, management practices and procedures to ensure the Corporation complies with the Post-Issuance Requirements with respect to the Bonds.

(b) The Corporation initially has designated [the Chief Financial Officer] of the Corporation, to be responsible for providing or causing to be provided certain post-issuance tax compliance services that may be required from time to time with respect to the Bonds.

(c) The Corporation acknowledges receiving the post-issuance tax compliance procedures adopted by the Authority and agrees to comply therewith as a borrower of bond proceeds.

Section 5.08 Continuing Disclosure. The Corporation hereby covenants and agrees that it will comply with the continuing disclosure requirements promulgated under Rule 15c2-12, as it may from time to time hereafter be amended or supplemented, if and to the extent that such requirements are applicable to any of the Bonds. Notwithstanding any other provision of this Loan Agreement or the Bond Indenture, failure of the Corporation to comply with the requirements of Rule 15c2-12, as it may from time to time hereafter be amended or supplemented, shall not be considered a Loan Default Event or an Event of Default; however, the Bond Trustee may, and, at the request of Holders of at least 25% in aggregate principal amount of Outstanding Bonds after receiving indemnification to its satisfaction, shall, or any Bondholder or Beneficial Owner may, take such actions as may be necessary and appropriate, including seeking specific performance by court order, to cause the Corporation to comply with its obligations under this Section 5.08.

Section 5.09 Liquidity Facility; Alternate Liquidity Facility.

(a) There will be no Liquidity Facility in effect during the Initial Period while the Bonds bear interest at the Direct Purchase Fixed Rate. Following the Initial Period, the Corporation may, at any time at its sole option, deliver to the Bond Trustee a Liquidity Facility or an Alternate Liquidity Facility in substitution for a Liquidity Facility (subject to the applicable provisions set out in the Bond Indenture), or may, at any time at its sole option (subject to applicable provisions set out in the Bond Indenture) proceed without a Liquidity Facility with respect to the Bonds available for use by the Bond Trustee to provide for the purchase of Bonds upon their optional or mandatory tender in accordance with the Bond Indenture. Any Liquidity Facility (or Alternate Liquidity Facility) shall be a facility provided by a commercial bank or other financial institution in an amount equal to the Required Stated Amount with a term of at least 360 days from the effective date thereof and shall be subject to the approval of the Credit Facility Provider (if any). The Corporation shall give at least twenty-five (25) days' advance written notice to the Bond Trustee, the Credit Facility Provider (if any) and the Liquidity Facility Provider (if any) and the Bond Trustee of (1) its intent to furnish a Liquidity Facility or Alternate Liquidity Facility to the Bond Trustee, which notice shall specify the nature of such Liquidity Facility, the identity of the Liquidity Facility Provider and the proposed effective date of the Liquidity Facility and (2) its intent to terminate a Liquidity Facility then in effect, which notice shall specify the proposed termination date for such Liquidity Facility. The Liquidity Facility specified in this Section 5.09 and the Credit Facility specified in Section 5.11 may be the same instrument. The Liquidity Facility Provider providing the Alternate Liquidity Facility shall purchase all Liquidity Facility Bonds by the effective date of the Alternate Liquidity Facility.

(b) If a Liquidity Facility has been delivered or otherwise made available to the Bond Trustee in accordance with subsection (a) of this Section, the Corporation (1) shall maintain the Liquidity Facility or an Alternate Liquidity Facility, in an amount equal to the Required Stated

Amount prior to its termination, and (2) shall not voluntarily terminate the Liquidity Facility or any Alternate Liquidity Facility without the written consent of the Credit Facility Provider (if any), if such Credit Facility Provider is a separate entity from the applicable Liquidity Facility Provider.

(c) So long as no Credit Facility Provider failure, default or event (as described in Section 11.18 of the Bond Indenture) has occurred and is continuing, the Credit Facility Provider (if any), if such Credit Facility Provider is a separate entity from the Liquidity Facility Provider, may require the Corporation to provide an Alternate Liquidity Facility upon at least sixty (60) days' notice to the Corporation, the Authority and the Bond Trustee if the Liquidity Facility Provider receives a short-term rating downgrade below the top two highest short-term Rating Categories of any Rating Agency then rating such Bonds, the Liquidity Facility Provider defaults in payment under such Liquidity Facility or the Liquidity Facility Provider makes a demand for increased fees or costs resulting from regulatory or reserve requirements applicable to the Liquidity Facility Provider.

Section 5.10 Self-Liquidity Arrangements.

The Corporation, at its sole option, may maintain a Self-Liquidity Arrangement in lieu of a Liquidity Facility. Not less than 30 days prior to the expiration or termination of any existing Liquidity Facility, the Corporation shall notify the Bond Trustee and the Authority of its intention to provide a Self-Liquidity Arrangement, and the amendments, if any, to this Loan Agreement and the Bond Indenture reasonably necessary to accommodate such self-liquidity. The notice will be accompanied by a Favorable Opinion of Bond Counsel, including to the effect that such changes will not require the Bonds to be registered under the Securities Act, or the Bond Indenture to be qualified under the Trust Indenture Act or, if such registration or qualification is required, that it has been accomplished. The notice will also be accompanied by written evidence from each Rating Agency then rating the Bonds of the rating to be assigned to the Bonds by such Rating Agency on and after the date such Self-Liquidity Arrangement becomes effective.

Section 5.11 Credit Facility; Alternate Credit Facility.

(a) There will be no Credit Facility in effect during the Initial Period while the Bonds bear interest at the Direct Purchase Fixed Rate. Following the Initial Period, the Corporation may, at any time at its sole option (subject to the provisions of the Master Indenture and the applicable provisions set out in the Bond Indenture), furnish a Credit Facility or an Alternate Credit Facility in substitution for a Credit Facility, or may, at any time at its sole option (subject to the applicable provisions set out in the Bond Indenture) proceed without a Credit Facility with respect to the Bonds. Any Credit Facility (or Alternate Credit Facility) shall be a facility provided by a commercial bank or other financial institution in an amount equal to the Required Stated Amount with a term of at least 360 days from the effective date thereof and shall be subject to the approval of the Liquidity Facility Provider (if any) for such Bonds if the Liquidity Facility Provider is a separate entity from the Credit Facility Provider (if any). The Corporation shall give at least twenty-five (25) days' advance written notice to the Bond Trustee, the Credit Facility Provider (if any) and the Liquidity Facility Provider (if any) of (1) its intent to furnish a Credit Facility or Alternate Credit Facility to the Bond Trustee, which notice shall specify the nature of such Credit Facility, the identity of the Credit Facility Provider and the proposed effective date of the Credit Facility and (2) its intent to terminate a Credit Facility then in effect, which notice shall specify

the proposed termination date for such Credit Facility. The Credit Facility required by this Section 5.11 and the Liquidity Facility required by Section 5.09 may be the same instrument.

(b) If a Credit Facility has been delivered or otherwise made available to the Bond Trustee in accordance with subsection (a) of this Section, the Corporation (1) shall maintain the Credit Facility or an Alternate Credit Facility, in an amount equal to the Required Stated Amount prior to its termination, and (2) shall not voluntarily terminate the Credit Facility or any Alternate Credit Facility without the written consent of the Liquidity Facility Provider (if any), if such Liquidity Facility Provider is a separate entity from the applicable Credit Facility Provider.

Section 5.12 Compliance with Bond Indenture. The Corporation hereby agrees to all of the terms and provisions of the Bond Indenture as they relate to the Corporation and accepts each of its rights and obligations thereunder. Without limiting the foregoing, the Authority may assign its rights under this Loan Agreement as set forth in the Bond Indenture. The Corporation hereby approves the initial appointment under the Bond Indenture of the Bond Trustee and agrees to appoint a Remarketing Agent, when required under the Bond Indenture, or a Calculation Agent, when required under the Bond Indenture, for the Bonds.

ARTICLE VI NON-LIABILITY OF AUTHORITY; EXPENSES; INDEMNIFICATION

Section 6.01 Non-Liability of Authority. The Authority shall not be obligated to pay the principal, Purchase Price or Redemption Price of and interest on the Bonds, except from Revenues. Neither the faith and credit nor the taxing power of the State, the City or any political subdivision of either is pledged to the payment of the principal, Purchase Price or Redemption Price of or interest on the Bonds. The Authority has no taxing power.

The Corporation hereby acknowledges that the Authority's sole source of moneys to repay the Bonds will be provided by the payments made by the Corporation pursuant to this Loan Agreement and by the Obligated Group pursuant to the Bond Obligation, and otherwise as provided in the Bond Indenture, and hereby agrees that if the payments to be made hereunder or under the Bond Obligation shall ever prove insufficient to pay all principal, Purchase Price and Redemption Price of and interest on the Bonds as the same shall become due (whether by maturity, redemption, acceleration or otherwise), then upon notice from the Bond Trustee, the Corporation shall pay such amounts as are required from time to time to prevent any deficiency or default in the payment of such principal, Purchase Price, Redemption Price or interest, including, but not limited to, any deficiency caused by acts, omissions, nonfeasance or malfeasance on the part of the Bond Trustee, the Corporation, the Authority or any third party.

Section 6.02 Expenses. The Corporation covenants and agrees to pay and to indemnify the Authority and, subject to the limitations set forth in Section 6.03, the Bond Trustee for, from and against all costs and charges, including reasonable fees of attorneys, accountants, consultants and other experts, incurred in good faith or arising out of or in connection with this Loan Agreement, the Bond Obligation, the Bonds, the Bond Indenture, or the Master Indenture.

Section 6.03 Indemnification.

(a) The Corporation will pay, defend, protect, indemnify, and save the Authority, the members of its Board of Directors, its officers, counsel, financial advisors and agents, the City of Yuma, its officers, employees, counsel and agents, and the Bond Trustee and its directors, officers, agents, attorneys and employees (each of the foregoing is individually referred to herein as an “Indemnified Party” and collectively are referred to herein as the “Indemnified Parties”) harmless for, from and against all liabilities, losses, damages, costs, expenses (including, without limitation, legal fees and expenses), causes of action (whether in contract, tort, or otherwise), suits, claims, demands, and judgments of every kind, character and nature whatsoever (collectively referred to herein as the “Liabilities”) directly or indirectly arising from or relating to the authorization, issuance, sale or delivery of the Bonds, or in any way relating to or arising out of the administration of the trust estate created pursuant to Bond Indenture or this Loan Agreement including, but not limited to, the following: (i) any injury to or death of any person or damage to the property of the Corporation or growing out of or connected with the use, non-use, condition, or occupancy of such property or any part thereof; (ii) violation of any provision or condition of this Loan Agreement or the Bond Indenture; (iii) violation by the Corporation of any contract, agreement, or restriction relating to such property; (iv) violation of any law, ordinance, or regulation affecting such property or any part thereof or the ownership, occupancy, or use thereof, including but not limited to environmental laws of any type; (v) the issuance and sale of the Bonds or any of them; (vi) any statement, information, or certificate furnished by the Corporation to the Authority or the Bond Trustee which is misleading, untrue, or incorrect in any material respect; (vii) the execution, delivery, or performance of the Bonds or of this Loan Agreement or the Bond Indenture or of any document required hereby or thereby or in furtherance of the transactions contemplated hereby or thereby; (viii) any action or failure to act by the Bond Trustee; (ix) any error, fraud, misrepresentation, or omission contained in the proceedings before the Authority or any other body with respect to the Bonds or in any information contained in any offering or disclosure document with respect to the Bonds (exclusive of material relating to the Authority) or otherwise affecting a purchase of the Bonds, whether upon the initial issuance or sale of the Bonds, upon any resale thereof, or in connection with any ongoing disclosure with respect thereto; and (x) the breach, untruthfulness, or default with respect to any of the Corporation's covenants, representations, or warranties contained herein or in any other document executed in connection herewith.

(b) Provided, however, that nothing in subsection (a) shall be deemed to provide indemnification to the Indemnified Parties with respect to liabilities directly arising from the fraud, gross negligence, or willful misconduct of the Indemnified Parties and, in the case of the Bond Trustee, its officers, agents, attorneys and employees, also successfully alleged to have arisen from the negligence or breach of trust of the Bond Trustee, its officers, agents, attorneys or employees.

(c) Any party entitled to indemnity shall, promptly after the receipt of notice of a written threat of commencement of any action to which the Corporation's indemnification obligations would apply, notify the Authorized Representative of the Corporation in writing of the commencement thereof; provided that the failure to give such notice shall not result in the loss of rights to indemnity hereunder, except that the liability of the Corporation shall be reduced by the amount of any loss, damage or expense incurred by the Corporation as the direct result of such failure to give notice. The Corporation may, or if so requested by the Indemnified Party shall, participate therein and assume the defenses thereof; with counsel satisfactory to such Indemnified Party and the Corporation. If the Indemnified Party 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 Corporation (in which case the Corporation shall not have the right to direct the defense of such action on behalf of the Indemnified Party), or if the Corporation shall, after notice and within a period of time necessary to preserve any and all defenses to any claim asserted, fail to assume the defense or to employ counsel for that purpose satisfactory to the Indemnified Party, the Indemnified Party shall have the right, but not the obligation, to undertake the defense of, and to compromise or settle the claim or other matter on behalf of, for the account of, and at the risk of, the Corporation, and the Corporation shall be responsible for the reasonable fees, costs, and expenses of the Indemnified Party in conducting the Indemnified Party's defense. Nothing in this subsection, however, is intended to waive or supersede the attorney-client relationship and its attendant benefits between the Indemnified Party and counsel hired to represent said Indemnified Party.

(d) The Indemnified Parties, other than the Authority, shall be considered to be third party beneficiaries of this Loan Agreement for purposes of this Section 6.03.

Section 6.04 Survive Termination. The provisions of this Article shall survive payment in full of the Bonds, discharge of the Bond Indenture and termination or expiration of this Loan Agreement.

ARTICLE VII LOAN DEFAULT EVENTS AND REMEDIES

Section 7.01 Loan Default Events. The following events shall be "Loan Default Events:"

(a) Failure by the Corporation to pay in full any payment required hereunder or under the Bond Obligation when due, whether on an Interest Payment Date at maturity, upon a date fixed for prepayment, by declaration, upon tender of the Bonds for purchase pursuant to the Bond Indenture, or otherwise pursuant to the terms hereof or thereof;

(b) Failure by the Corporation to observe and perform any other covenant, condition or agreement on its part to be observed or performed herein for a period of sixty (60) days after written notice, specifying such failure and requesting that it be remedied, shall have been given to the Corporation by the Authority, the Credit Facility Provider or the Bond Trustee; provided, however, that if the failure is such that it can be corrected but not within such 60-day period, and corrective action is instituted by the Corporation within such period and diligently pursued until such failure is corrected, then such failure or breach shall not become a Loan Default Event for so long as the Corporation shall diligently proceed to remedy such failure or breach in accordance with and subject to any directions of time established by the Authority (with respect to the rights specifically retained by the Authority pursuant to the Bond Indenture) or the Bond Trustee (with respect to rights other than the Authority's reserved rights);

(c) Any representation or warranty made by the Corporation in any document delivered by the Corporation to the Bond Trustee or the Authority in connection with the sale and delivery of the Bonds or the Bond Obligation proves to be untrue when made in any material respect;

(d) An Event of Default under the Bond Indenture or under the Master Indenture or under the Bondholder Agreement shall occur; or

(e) The Corporation (i) shall admit in writing its inability to pay its debts generally, (ii) shall make a general assignment for the benefit of creditors, (iii) shall institute any proceeding or voluntary case (A) seeking to adjudicate it a bankrupt or insolvent or (B) seeking liquidation, winding up, reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief or protection of debtors or (C) seeking the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its property, (iv) shall take any action to authorize any of the actions described above in this subsection (e), or (v) shall have instituted against it any proceeding (A) seeking to adjudicate it a bankrupt or insolvent or (B) seeking liquidation, winding up, reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief or protection of debtors or (C) seeking the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its property, and, if such proceeding is being contested by the Corporation in good faith, such proceeding shall remain undismissed or unstayed for a period of 60 days.

Upon having actual knowledge or written notice of the existence of a Loan Default Event, the Bond Trustee shall give written notice thereof to the Corporation, the Liquidity Facility Provider (if any), the Credit Facility Provider (if any) and the Direct Purchaser (if any) unless the Corporation has expressly acknowledged the existence of such Loan Default Event in a writing delivered by the Corporation to the Bond Trustee or filed by the Corporation in any court.

Section 7.02 Remedies on Default. If a Loan Default Event shall occur, then, and in each and every such case during the continuance of such Loan Default Event, the Bond Trustee on behalf of the Authority, subject to the limitations and its protections in the Bond Indenture as to the enforcement of remedies, may take such action as it deems necessary or appropriate to collect amounts due hereunder, to enforce performance and observance of any obligation or agreement of the Corporation hereunder or to protect the interests securing the same, and may, without limiting the generality of the foregoing:

(a) Exercise any or all rights and remedies given hereby or available hereunder or given by or available under any other instrument of any kind securing the Corporation's performance hereunder (including, without limitation, the Bond Obligation and the Master Indenture);

(b) By written notice to the Corporation, declare an amount equal to all amounts then due and payable on the Bonds, whether by acceleration of maturity or otherwise, to be immediately due and payable under this Loan Agreement, whereupon the same shall become immediately due and payable; and

(c) Take any action at law or in equity to collect the payment required hereunder 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 Corporation hereunder.

Section 7.03 Remedies Not Exclusive; No Waiver of Rights. No remedy herein conferred upon or reserved to the Authority or the Bond Trustee is intended to be exclusive of any other available remedy or remedies, but each and every such remedy, to the extent permitted by

law, shall be cumulative and shall be in addition to every other remedy given under this Loan Agreement or now or hereafter existing at law or in equity or otherwise. In order to entitle the Authority or the Bond Trustee to exercise any remedy, to the extent permitted by law, reserved to it contained in this Loan Agreement, it shall not be necessary to give any notice, other than such notice as may be herein expressly required. Such rights and remedies as are given to the Authority hereunder (other than those rights specifically retained by the Authority pursuant to the Bond Indenture) shall also extend to the Bond Trustee, and the Bond Trustee may exercise any rights of the Authority (other than those rights specifically retained by the Authority pursuant to the Bond Indenture) and its own rights under this Loan Agreement, and the Bond Trustee and the Holders of the Bonds shall be deemed third-party beneficiaries of all covenants and conditions herein contained.

No delay in exercising or omitting to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein, and every such right and power may be exercised from time to time and as often as may be deemed expedient.

Section 7.04 Expenses on Default. In the event the Corporation should default under any of the provisions of this Loan Agreement and the Authority or the Bond Trustee should employ attorneys or incur other expenses for the collection of the payments due hereunder, the Corporation agrees that it will on demand therefor pay to the Authority or the Bond Trustee the fees and expenses of such attorneys and such other expenses so incurred by the Authority or the Bond Trustee.

Section 7.05 Notice of Default. The Corporation agrees that, as soon as is practicable, and in any event within ten (10) days of a Loan Default Event, the Corporation will furnish the Bond Trustee, the Liquidity Facility Provider (if any), the Credit Facility Provider (if any) and the Direct Purchaser (if any) notice of any event which is a Loan Default Event pursuant to Section 7.01 hereof which has occurred and is continuing on the date of such notice, which notice shall set forth the nature of such event and the action which the Corporation proposes to take with respect thereto; provided, however, that with respect to a Loan Default Event pursuant to Section 7.01(a), the Bond Trustee shall give the Corporation and the Credit Facility Provider (if any) immediate notice on the date such default occurs. The Corporation shall contemporaneously provide the Authority with a copy of any notice given to the Bond Trustee under this section.

Section 7.06 Assignment by Authority or Bond Trustee. This Loan Agreement, including the right to receive payments required to be made by the Corporation hereunder and to compel or otherwise enforce performance by the Corporation of its other obligations hereunder and thereunder, may be assigned and reassigned in whole or in part to one or more assignees or subassignees by the Authority or the Bond Trustee at any time subsequent to its execution without the necessity of obtaining the consent of the Corporation. The Authority expressly acknowledges that all right, title and interest of the Authority in and to this Loan Agreement (other than those rights specifically retained by the Authority pursuant to the Bond Indenture) have been assigned to the Bond Trustee, as security for the Bonds under and as provided in the Bond Indenture, and that if any Loan Default Event shall occur, the Bond Trustee shall be entitled to act hereunder in the place and stead of the Authority.

Section 7.07 Application of Moneys Collected. Any amounts collected pursuant to action taken under this Article shall be applied in accordance with the provisions of Article VII of the Bond Indenture, and to the extent applied to the payment of amounts due on the Bonds shall be credited against amounts due on the Bond Obligation.

ARTICLE VIII MISCELLANEOUS

Section 8.01 Notices. All notices or communications herein required or permitted to be given shall be in writing and shall be deemed to have been sufficiently given or served for all purposes by being deposited, postage prepaid, in a post office letter box, addressed, as the case may be, to the respective addresses set forth in Section 11.07 of the Bond Indenture. A duplicate copy of each notice or communication given hereunder by either the Authority or the Corporation to the other shall also be given to the Bond Trustee. The Authority, the Corporation and the Bond Trustee may, by notice given hereunder, designate any further or different address to which subsequent notices, certificates and other communications shall be sent.

Section 8.02 Waiver of Personal Liability. No recourse shall be had for the payment of any payment required hereunder or for any claim based thereon or upon any obligation, covenant or agreement in this Loan Agreement contained, for, from or against any past, present or future incorporator, officer, director, trustee, member, employee, attorney or agent of the Corporation, the City or the Authority, or of any successor corporation, as such, either directly or through the Corporation, the City or the Authority or of any successor corporation of either the Corporation, the City or the Authority, under any rule of law or equity, statute or constitution or by the enforcement of any assessment or penalty or otherwise, and all such liability of any such incorporators, officers, directors, members, trustees, employees, attorneys or agents as such is hereby expressly waived and released as a condition of and consideration for the execution of this Loan Agreement

Section 8.03 Governing Law; Venue. This Loan Agreement shall be governed by and construed in accordance with and governed by the Constitution and laws of the State and any action filed to enforce this Loan Agreement shall be filed in the County of Yuma, Arizona, unless waived by the Authority in writing.

Section 8.04 Binding Effect. This Loan Agreement shall inure to the benefit of and shall be binding upon the Authority, the Corporation and their respective successors and assigns, subject, however, to the limitations contained herein. This Loan Agreement may not be assigned by the Corporation without the prior consent of the Authority and the Bond Trustee and any assignment in contradiction hereof shall be void.

Section 8.05 Severability of Invalid Provisions. If any covenant, agreement or provision, or any portion thereof contained in this Loan Agreement, where the application thereof to any person or circumstance is held to be unconstitutional, invalid or unenforceable, the remainder of this Loan Agreement and the application of such covenant, agreement or provision, or portion thereof, to other persons or circumstances, shall be deemed severable and shall not be affected thereby, and this Loan Agreement shall remain valid, and the Bondholders shall retain all valid

rights and benefits accorded to them under this Loan Agreement and the Constitution and laws of the State of Arizona.

Section 8.06 Loan Agreement Represents Complete Agreement; Amendments. This Loan Agreement represents the entire agreement between the parties. This Loan Agreement may not be effectively amended, changed, modified, altered or terminated except by the written agreement of the Corporation and the Authority and the concurring written consent of the Bond Trustee, given in accordance with the provisions of Section 6.08 of the Bond Indenture.

Section 8.07 Execution of Counterparts. This Loan Agreement may be executed in any number of counterparts, each of which shall for all purposes be deemed to be an original and all of which shall together constitute but one and the same instrument.

Section 8.08 Term of Loan Agreement. This Loan Agreement shall be in full force and effect from the date hereof and shall continue in effect as long as any of the Bonds is Outstanding or the Bond Trustee holds any moneys under the Bond Indenture, whichever is later.

Section 8.09 Survival of Covenants. Notwithstanding the payment in full of the Bonds, the discharge of the Bond Indenture, and the termination or expiration of this Loan Agreement, all provisions in this Loan Agreement concerning (a) the tax-exempt status of the Bonds (including, but not limited to provisions concerning rebate), (b) the interpretation of this Loan Agreement, (c) the governing law, (d) the forum for resolving disputes, (e) the Authority's right to rely on facts or certificates, (f) the immunity of the Authority's directors, officers, counsel, financial advisors, and agents, (g) the Authority's lack of pecuniary liability, and (h) the Corporation's obligations under Section 4.02, Section 6.02 and Section 6.03 hereof, shall survive and remain in full force and effect.

Section 8.10 Cancellation. To the extent required by the provisions of Arizona Revised Statutes Section 38-511, as amended, notice is hereby given that the State, its political subdivisions (including the Authority) or any department or agency of either may, within three years after its execution, cancel any contract, without penalty or further obligation, made by the State, its political subdivisions, or any of the departments or agencies of either if any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the State, its political subdivisions, or any of the departments or agencies of either is, at any time while the contract or any extension of the contract is in effect, an employee or agent of any other party to the contract in any capacity or a consultant to any other party of the contract with respect to the subject matter of the contract. The State, its political subdivisions or any department or agency of either may recoup any fee or commission paid or due to any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the State, its political subdivisions or any department or agency of either from any other party to the contract arising as the result of the contract. The Authority hereby certifies that it is not presently aware of any violation of Arizona Revised Statutes Section 38-511 which would adversely affect the enforceability of this Loan Agreement and covenants that it will take no action which would result in a violation of such Section. The Authority agrees to use its best efforts not to create an event that could lead to the Authority having the right to cancel this Loan Agreement pursuant to Section 38-511 of the Arizona Revised Statutes.

Section 8.11 Bond Indenture Provisions. The Bond Indenture provisions concerning the Bonds and the other matters therein are an integral part of the terms and conditions of the Loan made by the Authority to the Corporation pursuant to this Loan Agreement, and the execution of this Loan Agreement shall constitute conclusive evidence of approval of the Bond Indenture by the Corporation to the extent it relates to the Corporation. Additionally, the Corporation agrees that, whenever the Bond Indenture by its terms imposes a duty or obligation upon the Corporation, such duty or obligation shall be binding upon the Corporation to the same extent as if the Corporation were an express party to the Bond Indenture, and the Corporation hereby agrees to carry out and perform all of its obligations under the Bond Indenture as fully as if the Corporation were a party to the Bond Indenture.

IN WITNESS WHEREOF, the Authority and the Corporation have each caused this Loan Agreement to be executed in its respective names by its duly Authorized Representative, all as of the date first written above.

THE INDUSTRIAL DEVELOPMENT
AUTHORITY OF THE CITY OF YUMA,
ARIZONA

By: _____
President

YUMA REGIONAL MEDICAL CENTER

By: _____
Authorized Representative