

SECOND AMENDMENT TO DEBTOR-IN-POSSESSION CREDIT AGREEMENT

THIS **SECOND AMENDMENT TO DEBTOR-IN-POSSESSION CREDIT AGREEMENT** (this “**Amendment**”), dated as of June 24, 2020 (the “**Amendment Effective Date**”), is entered into by and among TULARE LOCAL HEALTHCARE DISTRICT, a local healthcare district of the State of California (“**Borrower**”), ADVENTIST HEALTH SYSTEM/WEST (“**AH**”), a California nonprofit religious corporation doing business as ADVENTIST HEALTH (together with its successors and assigns, in such capacity, “**Lender**”) and solely with respect to Sections 2.1(b)(ii) and 2.1(d)(ii)(a) of the Credit Agreement (as defined below), the Tenant (as such term is defined in the Lease).

Borrower, Lender and Tenant are parties to a Debtor-in-Possession Credit Agreement, dated as of August 8, 2018 (as amended by that certain First Amendment to Debtor-In-Possession Credit Agreement dated as of November 5, 2019, the “**Existing Credit Agreement**”, and as further amended, restated, amended and restated, supplemented or otherwise modified from time to time, the “**Credit Agreement**”).

Borrower previously requested that Lender consent to (x) the refinancing of the General Obligation Bonds (as defined in the Existing Credit Agreement) pursuant to the issuance of certain 2020 General Obligation Refunding Bonds (the “**General Obligation Bond Refinancing**”) and (y) (i) the refinancing of the Revenue Bonds (as defined in the Existing Credit Agreement) pursuant to the issuance of certain Refunding Revenue Bonds, Series 2020A (the “**Revenue Bond Refinancing**”) and together with the General Obligation Bond Refinancing, collectively, the “**Specified Refinancings**”) and (ii) the incurrence of additional indebtedness pursuant to the issuance of certain Refunding Revenue Bonds, Series 2020B (the “**Revenue Bonds (Series B)**”), in each case notwithstanding the restrictions on the incurrence indebtedness not permitted under the Existing Credit Agreement and pursuant to those certain Consent Letters dated as of February 11, 2020 and May 20, 2020, Lender consented to each of the Specified Refinancings and the issuance of the Revenue Bonds (Series B) subject to Borrower’s agreement that it will deliver a duly executed amendment to the Existing Credit Agreement thereafter.

In furtherance of the foregoing, Borrower, Lender and Tenant have agreed to make certain amendments to the Existing Credit Agreement as set forth herein and subject to the terms and conditions hereof.

Accordingly, the parties hereto agree as follows:

SECTION 1 Defined in Credit Agreement. All capitalized terms used in this Amendment (including in the recitals hereof) and not otherwise defined herein shall have the meanings assigned to them in the Credit Agreement.

SECTION 2 Amendments to the Credit Agreement.

(a) Subject to the satisfaction (or waiver in writing by Lender) of the conditions set forth in Section 3 hereof, the Existing Credit Agreement is hereby amended as follows:

(i) The following defined term is hereby added to Section 1.1 of the Existing Credit Agreement in appropriate alphabetical order as follows:

“**Revenue Bonds (Series B)**” shall mean the \$8,775,000 Tulare Local Health Care District Taxable Refunding Revenue Bonds, Series 2020B issued on or about June 18, 2020.”

(ii) The definition of “General Obligation Bonds” appearing in Section 1.1 of the Existing Credit Agreement is hereby amended and restated in its entirety as follows:

“**General Obligation Bonds**” shall mean the \$71,085,000 Tulare Local Health Care District 2020 General Obligation Refunding Bonds, issued on or about February 27, 2020.”

(iii) The definition of “Revenue Bonds” appearing in Section 1.1 of the Existing Credit Agreement is hereby amended and restated in its entirety as follows:

““Revenue Bonds” shall mean the \$11,964,000 Tulare Local Health Care District Refunding Revenue Bonds, Series 2020A, issued on or about June 18, 2020.”

(iv) Section 6.3 of the Existing Credit Agreement is hereby amended and restated in its entirety as follows:

“Section 6.3 OTHER INDEBTEDNESS. Create, incur, assume or permit to exist any indebtedness or liabilities resulting from borrowings, loans or advances, whether secured or unsecured, matured or unmatured, liquidated or unliquidated, joint or several, except (a) the liabilities of the Borrower to Lender, (b) any other liabilities of such Borrower existing as of, and disclosed to Lender in writing prior to, the Effective Date, (c) indebtedness in respect of the Existing Bonds and the Revenue Bonds (Series B), (d) equipment purchase money debt owed to a lender other than Lender and secured by the purchased equipment, provided the amount of such debt incurred in any fiscal year does not exceed the value of such purchased equipment (as measured separately for each equipment purchase and not in the aggregate) and (e) additional Indebtedness of the Borrower not to exceed an aggregate principal amount of \$5,000,000 at any given time incurred in order to settle any disputes or claims encompassing Liens on Evolutions Property and release of any Encumbrances therefrom or for other purposes related to settlement of claims or payments of obligations otherwise approved by the Lender in its discretion (such Indebtedness, the “Permitted Additional Debt”).”

(b) **References within Credit Agreement.** Each reference in the Credit Agreement to “this Agreement” and the words “hereof,” “herein,” “hereunder,” or words of like import, shall mean and be a reference to the Existing Credit Agreement as amended by this Amendment.

SECTION 3 Conditions of Effectiveness. The effectiveness of Section 2 of this Amendment shall be subject to the satisfaction of each of the following conditions precedent:

(a) **Amendment.** Lender shall have received this Amendment, executed by Borrower, Lender and the Tenant, in form and substance satisfactory to Lender.

(b) **Representations and Warranties; No Default.** On the Amendment Effective Date, after giving effect to the amendment of the Existing Credit Agreement contemplated hereby:

(i) The representations and warranties contained in Section 4 shall be true and correct on and as of the Amendment Effective Date as though made on and as of such date; and

(ii) There exist no Events of Default or events that with the passage of time would result in an Event of Default.

SECTION 4 Representations and Warranties. To induce Lender to enter into this Amendment, Borrower hereby confirms, as of the date hereof, (a) that the representations and warranties made by it in Article III of the Credit Agreement and in the other Loan Documents are true and correct in all material respects; *provided, however*, that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof; and (b) except for the Chapter 9 Proceeding and the facts disclosed in the filings made in connection therewith, that there has not been and there does not exist a Material Adverse Effect since the Petition Date. For the purposes of this Section 4, (i) each reference in Article III of the Credit Agreement to “this Agreement,” and the words “hereof,” “herein,” “hereunder,” or words of like import in such Section, shall mean and be a reference to the Existing Credit Agreement as amended by this Amendment, and (ii) any representations and warranties which relate solely to an earlier date shall not be deemed confirmed and restated as of the date hereof (provided that such representations and warranties shall be true, correct and complete as of such earlier date).

SECTION 5 Miscellaneous.

(a) **Loan Documents Otherwise Not Affected.** Except as expressly amended pursuant hereto or referenced herein, the Credit Agreement and the other Loan Documents shall remain unchanged and in full force

and effect and are hereby ratified and confirmed in all respects. Lender's execution and delivery of, or acceptance of, this Amendment shall not be deemed to create a course of dealing or otherwise create any express or implied duty by any of them to provide any other or further amendments, consents or waivers in the future.

(b) **No Novation.** Each of the parties hereto irrevocably and unconditionally agrees that this Amendment shall not be deemed to evidence or result in a novation or repayment and reborrowing of the Obligations under the Existing Credit Agreement as in effect prior to the effectiveness of this Amendment. Nothing herein contained shall be construed as a substitution or novation of the Obligations of Borrower outstanding under the Existing Credit Agreement as in effect prior to the effectiveness of this Amendment, which Obligations shall remain in full force and effect, except to the extent that the terms thereof are modified hereby or by instruments executed concurrently herewith. Nothing expressed or implied in this Amendment shall be construed as a release or other discharge of Borrower from any of the Obligations or any liabilities under the Existing Credit Agreement as in effect prior to the effectiveness of this Amendment or any of the other Loan Documents executed in connection therewith.

(c) **Release.** In consideration of the agreements of Lender contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Borrower, on behalf of itself and its successors, assigns, and other legal representatives, hereby fully, absolutely, unconditionally and irrevocably releases, remises and forever discharges Lender, and its successors and assigns, and its present and former shareholders, affiliates, subsidiaries, divisions, predecessors, directors, officers, attorneys, employees, agents and other representatives (Lender and all such other persons being hereinafter referred to collectively as the "**Releasees**" and individually as a "**Releasee**"), of and from all demands, actions, causes of action, suits, covenants, contracts, controversies, agreements, promises, sums of money, accounts, bills, reckonings, damages and any and all other claims, counterclaims, defenses, rights of set-off, demands and liabilities whatsoever of every name and nature, known or unknown, suspected or unsuspected, both at law and in equity, which Borrower, or any of its successors, assigns, or other legal representatives may now or hereafter own, hold, have or claim to have against the Releasees or any of them for, upon, or by reason of any circumstance, action, cause or thing whatsoever which arises at any time on or prior to the day and date of this Amendment, for or on account of, or in relation to, or in any way in connection with the Credit Agreement, or any of the other Loan Documents or transactions thereunder or related thereto. Borrower understands, acknowledges and agrees that the release set forth above may be pleaded as a full and complete defense and may be used as a basis for an injunction against any action, suit or other proceeding which may be instituted, prosecuted or attempted in breach of the provisions of such release. Borrower agrees that no fact, event, circumstance, evidence or transaction which could now be asserted or which may hereafter be discovered shall affect in any manner the final, absolute and unconditional nature of the release set forth above.

(d) **No Reliance.** Borrower hereby acknowledges and confirms to Lender that Borrower is executing this Amendment on the basis of its own investigation and for its own reasons without reliance upon any agreement, representation, understanding or communication by or on behalf of any other Person.

(e) **Costs and Expenses.** The parties hereto agree that each party will bear its own costs and expenses, including without limitation any legal and administrative fees, incurred by such party in connection with the negotiation, preparation, execution and delivery of this Amendment and any other documents to be delivered in connection herewith on the Amendment Effective Date or after such date.

(f) **Binding Effect.** This Amendment binds and is for the benefit of the successors and permitted assigns of each party.

(g) **Governing Law.** The provisions of Section 8.11 of the Credit Agreement (Governing Law) are hereby incorporated by reference, *mutatis mutandis*.

(h) **Complete Agreement; Amendments.** This Amendment and the Loan Documents represent the entire agreement about this subject matter and supersede prior negotiations or agreements with respect to such subject matter. All prior agreements, understandings, representations, warranties, and negotiations between the parties about the subject matter of this Amendment and the Loan Documents merge into this Amendment and the Loan Documents.

(i) **Severability of Provisions.** Each provision of this Amendment is severable from every other provision in determining the enforceability of any provision.

(j) **Counterparts.** This Amendment may be executed in any number of counterparts and by different parties on separate counterparts, each of which, when executed and delivered, is an original, and all taken together, constitute one Amendment. Delivery of an executed counterpart of a signature page of this Amendment by facsimile, portable document format (.pdf) or other electronic transmission will be as effective as delivery of a manually executed counterpart hereof. The words “execution,” “execute,” “signed,” “signature,” and words of like import in or related to any document to be signed in connection with this Amendment and the transactions contemplated hereby shall be deemed to include electronic signatures, the electronic matching of assignment terms and contract formations on electronic platforms approved by the Administrative Agent, or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the California Uniform Electronic Transaction Act, or any other similar state laws based on the Uniform Electronic Transactions Act.

(k) **Loan Documents.** This Amendment shall constitute a Loan Document.

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IN WITNESS WHEREOF, the parties hereto have duly executed this Amendment, as of the date first above written.

BORROWER:

TULARE LOCAL HEALTHCARE DISTRICT, a local health care district of the State of California

By: _____
Name: _____
Title: _____

LENDER:

ADVENTIST HEALTH SYSTEM/WEST, a California
nonprofit religious corporation
d/b/a ADVENTIST HEALTH

By: _____
Name: _____
Title: _____

TENANT:

ADVENTIST HEALTH TULARE,
a California nonprofit religious corporation

By: _____
Name: _____
Title: _____