

\$2,100,000

United States of America
State of California
Mendocino County

**MENDOCINO COAST HEALTH CARE DISTRICT
2014 Taxable Secured Promissory Note**

INTEREST RATE: MATURITY DATE: DATED DATE:
3.25% April 25, 2024 April 25, 2014

OWNER: UHC OF CALIFORNIA

PRINCIPAL SUM: TWO MILLION ONE HUNDRED THOUSAND DOLLARS

MENDOCINO COAST HEALTH CARE DISTRICT, a local health care district organized and existing under and pursuant to The Local Health Care District Law of the State of California (herein called the "District"), for value received, hereby promises to pay to the Owner stated above or registered assigns, on the Maturity Date stated above (subject to any right of prior redemption hereinafter mentioned), the Principal Sum stated above in lawful money of the United States of America, and to pay principal and interest thereon in like lawful money from the date hereof until payment of such principal sum shall be discharged as provided in the Indenture hereinafter mentioned, at the Interest Rate per annum stated above, payable annually on the first business day following each April 24th (each, a "Payment Date"), commencing April 27, 2015. The principal and interest as scheduled on Exhibit A hereon is payable by wire transfer as directed by the Owner. Interest shall be calculated on the basis of a 360-day year consisting of twelve 30-day months.

This Note is duly authorized and designated as "Mendocino Coast Health Care District 2014 Taxable Secured Promissory Note" (herein called the "Note"), limited in aggregate principal amount to two million one hundred thousand dollars (\$2,100,000), and issued pursuant to the provisions of The Local Health Care District Law of the State of California (constituting Division 23 of the California Health and Safety Code) together, herein called the "Law" and pursuant to an Amended and Restated Indenture of Trust and Note Agreement, dated as of April 25, 2014, between the District and the owner of the Note (the "Owner"). All capitalized terms not otherwise defined shall have the meanings set forth in the Indenture.

The Note is secured by a lien on the Collateral second only to the prior interest of the Office of Statewide Health Planning and Development of the State of California ("OSHPD") and subject to the terms of the Intercreditor Agreement between OSHPD and the Owner dated as of April 25, 2014. Neither the faith and credit nor the tax revenues received by the District are pledged to the payment of the principal of or interest on the Note. The Note is not a debt of the

State of California or any political subdivision thereof, and neither said State nor any political subdivision thereof (except the District to the extent provided in the Indenture) is liable for the payment thereof.

The Note is subject to prepayment prior to the Maturity Date in whole or in part on any date, at the principal amount prepaid and interest accrued thereon, without premium.

If an Event of Default (as that term is defined in the Indenture) shall occur, the principal of the Note then outstanding may be declared due and payable upon the conditions, in the manner and with the effect, provided in the Indenture. The Indenture provides that in certain events such declaration and its consequences may be rescinded by the Owner.

This Note is not transferable or exchangeable.

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

The Indenture and the rights and obligations of the District the Owner may be modified or amended from time to time and at any time in the manner, to the extent and upon the terms provided in the Indenture.

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


IN WITNESS WHEREOF, Mendocino Coast Health Care District has caused this Note to be executed in its name and on its behalf by the signatures of its Chief Executive Officer and its Chief Financial Officer and attested by the signature of the Secretary of its Board of Directors, all as of the Dated Date stated above.

MENDOCINO COAST HEALTH CARE
DISTRICT

By 
Interim Chief Executive Officer

By 
Chief Financial Officer

Attest:



Secretary of the Board of Directors

EXHIBIT A

DEBT SERVICE SCHEDULE

<u>Date</u>	<u>Outstanding Principal</u>	<u>Principal Payments</u>	<u>Interest Payments</u>
April 25, 2014	\$2,100,000	—	—
April 27, 2015	1,890,000	210,000	68,250
April 25, 2016	1,680,000	210,000	61,425
April 25, 2017	1,470,000	210,000	54,600
April 25, 2018	1,260,000	210,000	47,775
April 25, 2019	1,050,000	210,000	40,950
April 27, 2020	840,000	210,000	34,125
April 26, 2021	630,000	210,000	27,300
April 25, 2022	420,000	210,000	20,475
April 25, 2023	210,000	210,000	13,650
April 25, 2024	0	210,000	6,825